TAB	DESCRIPTION	ACTION
1	**AMENDMENT TO BOARD POLICY** Sections V.B.D. & V. – Second Reading	Motion to approve
2	**AMENDMENT TO BOARD POLICY** Section V.C. – Spending Authority – Second Reading	Motion to approve
3	**AMENDMENT TO BOARD POLICY** Section V.N. – Grants & Contracts – Second Reading	Motion to approve
4	**AMENDMENT TO BOARD POLICY** Section V.R. – Establishment of Fees – Second Reading	Motion to approve
5	**BOISE STATE UNIVERSITY** Park & Ride Lot Purchase	Motion to approve
6	**BOISE STATE UNIVERSITY** Authorization for Issuance of General Revenue & Refunding Bonds	Motion to approve
7	**LEWIS-CLARK STATE COLLEGE** Fine Arts Building Remodel – Planning & Design	Motion to approve
8	**LEWIS-CLARK STATE COLLEGE** Refinance Current Student Fee Refunding Revenue Bond	Motion to approve
9	**EASTERN IDAHO TECHNICAL COLLEGE** City of Idaho Falls – Public Right-of-Way and Easement	Motion to approve

THIS PAGE INTENTIONALLY LEFT BLANK

SUBJECT

Board Policy, Section V. Subsections B., D., and V. – Second Reading

REFERENCE

October 2011	Board approved first reading
December 2011	Board held for further review

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.

BACKGROUND / DISCUSSION

At the Board's December 2011 meeting the Board deferred second reading until its next regularly scheduled meeting to give BAHR an opportunity to further review the proposed change to policy V.B.4.b.

IMPACT

Board staff identified reports required in policy which are unnecessary, duplicative or discretionary. Updating Board policy will clarify and streamline reporting requirements, and focus Board policy on reports that are most relevant to the Board's governance responsibilities. Eliminating unnecessary reports will also free up time and resources at the institutions.

ATTACHMENTS

Attachment 1 – Policy V.B. Budget Policies	Page 3
Attachment 2 – Policy V.D. Fiscal Officer, Banking & Investments	Page 11
Attachment 3 – Policy V.V. Scholarships	Page 15

STAFF COMMENTS AND RECOMMENDATIONS

At the December, 2011 Board meeting Mr. Lewis questioned whether removal of the reporting requirement in V.B.4.b.ii. for expenditures of auxiliary revenues in excess of $50,000 was appropriate. Board policies already have dollar thresholds, regardless of fund source, at which prior approval by either the executive director or the Board is required. For example, real and personal property and services (Policy V.I.) and construction projects (Policy V.K.). As such, staff finds that that this reporting requirement is duplicative and does not add value to any current processes or procedures. There were no changes between first and second reading. Staff recommends approval.

BOARD ACTION

I move to approve the second reading of the amendments to Board Policy V. B., D., and V., as presented.

Moved by____________ Seconded by_____________ Carried Yes____ No____

THIS PAGE INTENTIONALLY LEFT BLANK

B. Budget Policies

1. Budget Requests

   For purposes of Items 1. and 10., the community colleges (CSI, CWI and NIC) are included.

   a. Submission of Budget Requests

      The Board is responsible for submission of budget request for the institutions, school and agencies under its governance to the executive and legislative branches of government. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

   b. Direction by the Office of the State Board of Education

      The preparation of all annual budget requests is to be directed by the Office of the State Board of Education which designates forms to be used in the process. The procedures for the preparation and submission of budget requests apply to operational and capital improvements budgets.

   c. Preparation and Submission of Annual Budget Requests

      Annual budget requests to be submitted to the Board by the institutions, school and agencies under Board governance are due in the Office of the State Board of Education on the date established by the Executive Director.

   d. Presentation to the Board

      Annual budget requests are formally presented to the designated committee by the chief executive officer of each institution, school or agency or his or her designee. The designated committee will review the requests and provide recommendations to the Board for their action.

2. Budget Requests and Expenditure Authority

   a. Budget requests must include projected miscellaneous receipts based on the enrollment of the fiscal year just completed (e.g., the FY 2003 budget request, prepared in the summer of 2001, projected miscellaneous receipts revenue based on academic year 2001 enrollments which ended with the Spring 2001 semester).

b. Approval by the Executive Director, or his or her designee, as authorized, for all increases and decreases of spending authority caused by changes in miscellaneous receipts is required.
c. Miscellaneous receipts collected by an institution will not be allocated to another institution. The lump sum appropriation will not be affected by changes in receipts.

3. Operating Budgets (Appropriated)

a. Availability of Appropriated Funds

i. Funds appropriated by the legislature from the State General Account for the operation of the institutions, school and agencies (exclusive of funds for construction appropriated to the Permanent Building Fund) become available at the beginning of the fiscal year following the session of the legislature during which the funds are appropriated, except when appropriation legislation contains an emergency clause.

ii. These funds are generally allotted periodically or are disbursed on submission of expenditure vouchers to the Office of the State Controller.

b. Approval of Operating Budgets

i. The appropriated funds operating budgets for the institutions, school and agencies under Board supervision are based on a fiscal year, beginning July 1 and ending on June 30 of the following year.

ii. During the spring of each year, the chief executive officer of each institution, school or agency prepares an operating budget for the next fiscal year based upon guidelines adopted by the Board. Each budget is then submitted to the Board in a summary format prescribed by the Executive Director for review and formal approval before the beginning of the fiscal year.

c. Budget Transfers and Revisions

i. Chief Executive Officer Approval

ii. The chief executive officer of each institution, agency, school, office, or department is responsible for approving all budget transfers.

iii. Allotment and Allotment Transfers

iv. Requests for allotments or changes in allotments are submitted by the institution, school or agency to the Division of Financial Management and copies provided concurrently to the Office of the State Board of Education. (Refer to allotment form in the Fiscal Reference Manual of the Division of

Financial Management.) The Office of the State Board of Education will coordinate the request for allotments and changes to allotments for the college and universities.

4. Operating Budgets (Non-appropriated -- Auxiliary Enterprises)

   a. Auxiliary Enterprises Defined

      An auxiliary enterprise directly or indirectly provides a service to students, faculty, or staff and charges a fee related to but not necessarily equal to the cost of services. The distinguishing characteristic of most auxiliary enterprises is that they are managed essentially as self-supporting activities, whose services are provided primarily to individuals in the institutional community rather than to departments of the institution, although a portion of student fees or other support is sometimes allocated to them. Auxiliary enterprises should contribute and relate directly to the mission, goals, and objectives of the college or university. Intercollegiate athletics and student health services should be included in the category of auxiliary enterprises if the activities are essentially self-supporting.

      All operating costs, including personnel, utilities, maintenance, etc., for auxiliary enterprises are to be paid out of income from fees, charges, and sales of goods or services. No state appropriated funds may be allocated to cover any portion of the operating costs. However, rental charges for uses of the facilities or services provided by auxiliary enterprises may be assessed to departments or programs supported by state-appropriated funds.

   b. Operating Budgets

   Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

5. Operating Budgets (Non-appropriated -- Local Service Operations)

   a. Local Service Operations Defined

      Local service operations provide a specific type of service to various institutional entities and are supported by charges for such services to the user. Such a service might be purchased from commercial sources, but for reasons of convenience, cost, or control, is provided more effectively through a unit of the institution. Examples are mailing services, duplicating services, office machine maintenance, motor pools, and central stores.

   b. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.

c. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

6. Operating Budgets (Non-appropriated -- Other)

   a. The policies and practices used for appropriated funds are used in the employment of personnel, use of facilities, and accounting for all expenditures and receipts.

   b. Reports of revenues and expenditures must be submitted to the State Board of Education at the request of the Board.

7. Agency Funds

   a. Agency funds are assets received and held by an institution, school or agency, as custodian or fiscal agent for other individuals or organizations, but over which the institution, school or agency exercises no fiscal control.

   b. Agency funds may be expended for any legal purpose prescribed by the individual or organization depositing the funds with the institution, school or agency following established institutional disbursement procedures.

8. Major Capital Improvement Project -- Budget Requests

   For purposes of Item 8., the community colleges (CSI, CWI and NIC) are included, except as noted in V.B.8.b. (2).

   a. Definition

      A major capital improvement is defined as the acquisition of an existing building, construction of a new building or an addition to an existing building, or a major renovation of an existing building. A major renovation provides for a substantial change to a building. The change may include a remodeled wing or floor of a building, or the remodeling of the majority of the building's net assignable square feet. An extensive upgrade of one (1) or more of the major building systems is generally considered to be a major renovation.

   b. Preparation and Submission of Major Capital Improvement Requests

      i. Permanent Building Fund Requests

      Requests for approval of major capital improvement projects to be funded from the Permanent Building Fund are to be submitted to the Office of the State Board of Education on a date and in a format established by the Executive Director. Only technical revisions may be made to the request for a given fiscal year after the Board has made its recommendation for that fiscal year. Technical revisions must be made prior to November 1.

ii. Other Requests

Requests for approval of major capital improvement projects from other fund sources are to be submitted in a format established by the Executive Director. Substantive and fiscal revisions to a requested project are resubmitted to the Board for approval. This subsection shall not apply to the community colleges.

c. Submission of Approved Major Capital Budget Requests

The Board is responsible for the submission of major capital budget requests for the institutions, school and agencies under this subsection to the Division of Public Works. Only those budget requests which have been formally approved by the Board will be submitted by the office to the executive and legislative branches.

9. Approval by the Board

Requests for approval of major capital improvement projects must be submitted for Board action. Major capital improvement projects, which are approved by the Board and for which funds from the Permanent Building Fund are requested, are placed in priority order prior to the submission of major capital budget requests to the Division of Public Works.

10. Occupancy Costs.

a. Definitions.

i. “Auxiliary Enterprise” is an entity that exists to furnish goods or services to students, faculty, or staff, and that charges a fee directly related to the cost of the goods or services.

ii. “Eligible Space” means all space other than auxiliary enterprise space. Occupancy costs for “common use” space (i.e. space which shares eligible and auxiliary enterprise space) will be prorated based on its use.

iii. “Gross Square Feet” (GSF) means the sum of all areas on all floors of a building included within the outside faces of its exterior walls.

iv. “Occupancy costs” means those costs associated with occupying eligible space including custodial, utility, maintenance and other costs as outlined in the occupancy costs formula.

b. Notification of New Eligible Space.

   i. No institution shall acquire, build, take possession of, expand, remodel, or convert any eligible space for which occupancy costs will be requested unless prior written notification has been received by the Governor and the Joint Finance-Appropriations Committee. Written notification shall be submitted by the Office of the State Board of Education or a community college within ten business days of final project approval by the State Board of Education or its executive director, or a community college board of trustees. Written notification shall include:
      a. description of the eligible space, its intended use, and how it relates to the mission of the institution;
      b. estimated cost of the building or facility, and source(s) of funds;
      c. estimated occupancy costs; and
      d. estimated date of completion.

   ii. A facility approved by the Legislature and the Governor in the Permanent Building Fund budget satisfies the notice requirement for purposes of requesting occupancy costs.

c. Sources of Funds. Institutions may request occupancy costs regardless of the source(s) of funds used to acquire or construct eligible space.

d. Required Information. Requests for occupancy costs shall include the following information: (i) projected date of occupancy of the eligible space; (ii) gross square feet of eligible space; and (iii) number of months of the fiscal year the eligible space will be occupied (i.e. identify occupancy of eligible space for a full or partial fiscal year).

e. Occupancy Costs Formula.

   i. Custodial: For the first 13,000 GSF and in 13,000 GSF increments thereafter, one-half (.50) custodial FTE. In addition, 10¢ per GSF may be requested for custodial supplies.

   ii. Utility Costs: $1.75 per GSF.

   iii. Building Maintenance: 1.5% of the construction costs, excluding pre-construction costs (e.g. architectural/engineering fees, site work, etc.) and moveable equipment.

   iv. Other Costs:
      (1) 77¢ per GSF for information technology maintenance, security, general safety, and research and scientific safety;

(2) .0005 current replacement value (CRV) for insurance; and
(3) .0003 current replacement value (CRV) for landscape maintenance.

v. The formula rates may be periodically reviewed against inflation.

vi. Reversions.
(1) If eligible space which received occupancy costs is later:
a) razed and replaced with non-eligible space; or
b) converted to non-eligible space,
then the institution shall revert back to the state the occupancy cost funding at the base level originally funded.
(2) If eligible space is razed and replaced with new eligible space, then the institution may retain the base occupancy costs, net the funded GSF against any additional GSF, and request funding for the difference.

f. Unfunded Occupancy Costs. If occupancy costs for eligible space have been requested but not funded due to budgetary reasons, institutions may request occupancy costs again in the following year. If, however, occupancy costs are denied for non-budgetary reasons, no further requests for occupancy costs related to the space in question will be considered.

THIS PAGE INTENTIONALLY LEFT BLANK

1. Bursars

   Each institution and agency must have a fiscal officer, titled "bursar," designated by the Board. The fiscal officer is primarily responsible for receipt and remittance of money and other evidence of indebtedness and for making reports on fiscal matters directly to the Board. The Board may, from time to time, fix additional duties for the fiscal officers and fix the amount of any performance bond. The financial vice president of each of the institutions of higher education serves as the fiscal officer and/or bursar of that institution.

2. Deposits

   Each institution and agency must deposit with the state treasurer all money and other evidence of indebtedness received for or on account of the state of Idaho (Section 59-1014, Idaho Code). The University of Idaho may deposit money and other evidence of indebtedness belonging to the University of Idaho in financial institutions approved by the Board of Regents (*Melgard v. Eagleson*, 31 Idaho 411 (1918). Deposits with the state treasurer must be made daily when the amount is $200 or more or weekly when the amount is less than $200 in any 24-hour period. The depositor must take in exchange a receipt from the state treasurer (Section 59-1014, Idaho Code). The University of Idaho will make deposits at the intervals provided above. By resolution, the State Board of Examiners may authorize an institution or agency to make deposits with the state treasurer less frequently, but in no event less than once a month (Section 67-2025, Idaho Code). Prior approval by the Board is required if any financial institution other than the state treasurer is to receive deposits.

3. Treasurer for Non-State Monies

   The Board may authorize the fiscal officer or other employee of any institution to act as treasurer for any organization or association of students or faculty at the institution and to collect, receive, deposit, and disburse money and other evidence of indebtedness on its behalf. (Section 67-2025, Idaho Code)

4. Local Depositories

   Pending payment of money or other evidence of indebtedness to the state treasurer or to the person otherwise entitled to receive the same, an institution or agency may deposit the same in a suitable bank or trust company in the state of Idaho, subject to the provisions of the public depository law, whether the money is owned by the state of Idaho or otherwise.

5. Security of Funds

   Any employee of any institution or agency under the governance of the Board having money or other evidence of indebtedness in his or her physical custody or administrative control must at all times see that it is safe and secure from loss or theft. A cash receipt should be generated and a reasonable effort made for immediate deposit of the funds with the state treasurer or a suitable financial institution.

6. Misappropriation a Felony

   Any employee of an institution or agency under the governance of the Board charged with receipt, safe-keeping, transfer, or disbursement of money or other evidence of indebtedness who willingly and wrongfully uses or keeps the same may be guilty of a felony under Sections 18-5701 and 18-5702, Idaho Code. (*See also* Section 59-1014, Idaho Code.)

7. Investments

   a. Investment Objectives:

      Each institution investing funds shall maintain a written investment policy in accordance with the following objectives, in priority:

      i. Preservation of capital
      ii. Maintenance of liquidity
      iii. Achieve a fair rate of return

   b. Each institution's investment policy shall include provisions designed to comply with the Board's Investment policy by establishing guidelines for:

      i. Specific investment and overall portfolio maturity
      ii. Ratings and ratings downgrades
      iii. Concentration limits
      iv. Periodic portfolio reviews
      v. Other standards consistent with the standard of conduct in managing and investing institutional funds under the Uniform Prudent Management of Institutional Funds Act (Section 33-5003, Idaho Code)

   c. General Account funds may not be invested by the Board or any institution or agency under its governance.

   d. Permanent Endowment funds are invested by the Permanent Endowment Fund Investment Board.
      .

   e. Other funds within the control of an institution may be invested in the following vehicles without prior Board approval:

      i. FDIC passbook savings accounts

      ii. certificates of deposit

      iii. U.S. Government securities

iv. federal funds repurchase agreements

v. reverse repurchase agreements

vi. federal agency securities

vii. large money market funds

viii. bankers acceptances

ix. corporate bonds of A grade or better

x. mortgage-backed securities of A grade or better

xi. commercial paper of prime or equivalent grade

xii. For the state of Idaho:

1) general obligations or revenue bonds or other obligations for which the faith and credit of the state are pledged for the payment of principal and interest
2) general obligations or revenue bonds of any county, city, metropolitan water district, municipal utility district, school district or other taxing district
3) bonds, notes or other similar obligations issued by public corporations of the state of Idaho including, but not limited to, the Idaho state building authority, the Idaho housing authority and the Idaho water resource board
4) tax anticipation notes and registered warrants
5) tax anticipation bonds or notes and income and revenue anticipation bonds or notes of taxing districts
6) revenue bonds of institutions of higher education

xiv. State of Idaho run investment funds for state agencies and other governmental entities.

f. All investments must meet the ratings criteria (if applicable) in Section 7(e) at the time of acquisition.
g. Authority to make investments in any other form requires prior Board approval. Such Board approval may be in the form of general authority to invest or reinvest cash, securities, and other assets obtained and becoming a part of foundation trusts such as the Consolidated Investment Trust of the University of Idaho. An annual report on the Consolidated Investment Trust shall be submitted to the Board upon request.

THIS PAGE INTENTIONALLY LEFT BLANK

College and University License Plates (Idaho Code § 49-418A)

1. Funds from the college and university special license plate program shall be used only as follows:

   a. To fund scholarships for Idaho residents attending the institution. Each institution may either create a new scholarship or fund existing scholarships so long as the scholarship recipients are Idaho residents as defined by Idaho Code and the rules of the Board.

   b. To contribute to academic programs. Provided, however, that this use of such funds shall be on the following conditions:

      (1) Such funds must be matched in at least equal amounts to non-state, non-federal, and non-local governmental funds.

      (2) Such use requires prior approval of the Board.

2. Each institution participating in the college and university license plate program shall, upon request, present a detailed report to the Board of all recipients and distributions of all funds from said program.

   Said report shall include, at a minimum; a complete accounting of the receipts; a complete accounting of the disbursements; what scholarships were funded and in what amounts; a brief description of the scholarship requirements or criteria; a list of the recipients of scholarships funded; the academic programs to which contributions were made and in what amounts; the amount and source of non-governmental matching funds contributed to academic programs in conjunction with the license plate funds; and any projected future use of said funds.

THIS PAGE INTENTIONALLY LEFT BLANK

SUBJECT

Board Policy V.C. – Spending Authority - second reading

REFERENCE

December 2011	Board approved first reading of changes to Spending Authority policy

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.C.
Section 67-3516, Idaho Code

BACKGROUND / DISCUSSION

Board policy currently places limitations on institution and agency spending authority, irrespective of legislative spending authority. The policy also duplicates Idaho Code with regard to non-cognizable funds, while at the same time referencing certain undefined exceptions.

IMPACT

Current policy has the effect of requiring Board approval of spending authority which has already been granted by the Legislature (e.g. Board approval in October of prior-year carryover authority). Current policy also unnecessarily duplicates Idaho Code in regard to non-cognizable funds.

ATTACHMENTS

Attachment 1 – Board Policy Section V.C. Page 3

STAFF COMMENTS AND RECOMMENDATIONS

There were no changes from the first reading. Staff recommends approval.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board Policy Section V.C., as presented in attachment 1.

Moved by_____________ Seconded by______________ Carried Yes____ No____

THIS PAGE INTENTIONALLY LEFT BLANK

C. Spending Authority

1. Monies Subject to Appropriation

   a. Legal Spending Authority Required

      i. No institution or agency may expend, encumber, or otherwise use monies subject to appropriation without a specific appropriation or other spending authority under Idaho law (hereinafter "spending authority").

      ii. No institution or agency may expend, encumber, or otherwise use monies other than for the purposes and in the amounts authorized pursuant to the spending authority.

      iii. Any expenditure, encumbrance, or other use of monies without spending authority, in excess of the spending authority, or contrary to the purposes authorized by the spending authority, is void.

      iv. Each institution and agency is responsible for determining that spending authority exists to expend, encumber, or otherwise use monies under its control.

      v. Any person expending, encumbering, or otherwise using such monies other than pursuant to spending authority is subject to statutory penalties and disciplinary action. (See, for example, Sections 18-5701, 18-5702, and 59-1013, Idaho Code.)

   b. General Fund and Special Accounts

      i. All General Fund monies are subject to annual or continuing appropriations by the Idaho Legislature.

      ii. Certain special account monies, such as direct federal appropriations, state endowment income and trust accounts, and miscellaneous receipts, are the subject of continuing or perpetual spending authority. (See, for example, Sections 67-3608 and 67-3611, Idaho Code (miscellaneous receipts); Section 67-3607 and Section 33-3301 et seq., Sections 33-2909 and 33-2910, Sections 33-2913 and 33-2914, Sections 33-2911 and 33-2912, Sections 66-1106 and 66-1107, Idaho Code (state endowment income and trust accounts).)

   c. University of Idaho
   The University of Idaho and the Board of Regents of the University of Idaho, by virtue of their constitutional status and unique standing under federal or state law, may expend certain monies which are not General Fund monies without the

overall supervision and control of any other branch, department, office, or board of Idaho state government. (*See, for example*, *State ex rel. Black v. State Board of Education*, 33 Idaho 415 (1921).)

d. Non-cognizable Funds

Non-cognizable funds may not be expended without prior approval by the Division of Financial Management pursuant to Section 67-3516(2), Idaho Code.

2. Monies Not Subject to Appropriation

a. Monies under the direct control of the institutions and agencies by virtue of auxiliary enterprises, local service operations, federal, state, and private gifts, and grants and contracts, may be expended in such amounts and for such purposes as authorized by the Board without express legislative spending authority.

b. Institutional agency funds may be expended in accordance with the provision and controls of the depositor and are not subject to Board authorization.

SUBJECT

Grants and Contracts, Board Policy, Section V.N. – second reading

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.N.

BACKGROUND / DISCUSSION

In December 2011 the Board approved the first reading to amend Board policy Section V.N.

The University of Idaho provided comments and suggested changes for second reading as follows:

1. Paragraph 3.a.(1): Add language to allow for reduction of F&A where mandated by federal law, program or agency. Restructure sub-paragraph to clarify that all points address federal grants and contracts.
2. Paragraph 3.a.(2)-(3): Recommend that all state agencies pay the same rate, including for grants or contracts between the Board and an institution and between agencies governed by the Board and an institution. Use language from the definition of "state" in the Idaho Tort Claims Act as a comprehensive description of state agencies entitled to the 20% rate.
3. Paragraph 3.a.(4): Recommend using language from the definition of "political subdivision" in the Idaho Tort Claims Act as a comprehensive description of the other state entities that get the preferred 20%, this clearly eliminates non-governmental entities.
4. Paragraph 3.a.(5): Recommend adding the phrase "which represents the institution's full cost of doing business" at the end of the sentence to describe the rationale behind the requirement.

IMPACT

Updating this Board policy will clarify and streamline approval and reporting requirements, which benefits staff for the Board and the institutions. Similarly, revising the indirect cost recovery policy will help facilitate grants management at the institutions and agencies.

ATTACHMENTS

Attachment 1 – Board Policy V.N. – redline	Page 3
Attachment 2 – Board Policy V.N. – clean	Page 7

STAFF COMMENTS AND RECOMMENDATIONS

Staff concurs with all suggested changes from University of Idaho except applying 20% indirect rate between the Board office (or agencies governed by the Board) and an institution.

Staff also revised reporting dates in paragraph 2 and 3.b.(2) from June to August.

Staff recommends approval of the policy revisions as submitted.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board Policy Section V.N., as presented in attachment 1.

Moved by____________ Seconded by_____________ Carried Yes____ No____

N. Grants and Contracts

1. Approval of Grant and Contract Applications

   All applications for grants and contracts in excess of one million dollars ($1,000,000) that require the institution or agency to dedicate current funds or facilities or will obligate the institution or agency or state to dedicate future funding or facilities require approval by the executive director. Cost sharing or other types of in-kind matching requirements are not considered as dedicated commitments. If there is no dedicated funding or facilities obligation, the application may be approved by the chief executive officer of the institution or agency or his or her designee. When requests for approval of such applications are presented to the executive director the following information shall be included:

   a. Agency to which application is made.

   b. Amount of the proposal.

   c. Period of the grant or contract.

   d. Purpose of the grant or contract.

   e. Nature of obligations including amount of funds involved or facilities to be committed.

2. Acceptance of Grants and Contracts

   Grants and contracts accepted by an institution or agency shall be reported to the Board in ~~June~~ August of each year, when the amount of the grant or contract award exceeds one million dollars ($1,000,000). The following information must be provided:

   a. Name of grantor or contract.

   b. Amount of the grant or contract.

   c. Grant or contract period.

   d. Purpose of the grant or contract.

   e. Indicate nature of institution or agency's obligations in the form of dedicated funding or dedication of significant facilities.

3. Facilities and Administrative Indirect Cost Recovery

a. The following indirect cost recovery rates will be used by institutions and agencies under the governance of the Board for grant and contract services:

i. For grants and contracts with the federal government:

1) The indirect cost recovery rates are those negotiated between the institution or agency and the federal government.

2) The indirect cost recovery rate may vary from one classification (e.g. research, instruction, public service/outreach, etc.) to another, but institutions and agencies are encouraged to maximize indirect cost recovery rates.

3) Institutions or agencies may accept indirect cost recovery rates below the institution's/agency's negotiated rate when federal laws, federal programs or policies of the federal agencies limit the rate.

~~i.~~ii. For grants and contracts with or administered by the Office of the State Board of Education, the Division of Professional-Technical Education, or the Division of Vocational Rehabilitation, no indirect cost recovery is allowed.

~~ii.~~iii. Except as provided above, for grants and contracts with a State of Idaho office, department, agency, authority, commission, board, institution, hospital, college, university or other instrumentality thereof, the indirect cost recovery rate is twenty percent (20%) of the total direct cost; provided however, if the funding is federal pass-through, then paragraph (1) applies.

iv. For grants and contracts with any political subdivision of the State of Idaho as defined in Idaho Code §6-902(2):

1) the indirect cost recovery rate is no less than twenty percent (20%) of the total direct cost unless the funding is federal pass through;

2) If the funding is federal pass-through, then paragraph (1) applies.

v. For grants and contracts with private entities, whether for-profit or non-profit, indirect cost recovery shall be charged at the full indirect cost recovery rate proposed to the federal government at the last rate negotiation which represents the institution's full cost of doing business.

b. Reduction or Waiver of Cost Recoveries

i. Notwithstanding the indirect cost recovery rates established above, for good cause, the chief executive officer or his or her designee of the institution or agency is authorized to reduce or waive indirect cost recoveries.

ii. Discretionary reductions or waivers of indirect costs must be reported to the Board office in ~~June~~ August of each year.

4. Restrictions on Contract Services

   a. Research or consultant entities of agencies and institutions under the governance of the Board may not bid on contract services when it appears that the contract services are reasonably available from the private sector.

   b. If the product of contract work is to be privileged or its dissemination restricted, the agency or institution may not undertake the contract work without the written approval of the chief executive officer of the agency or institution.

THIS PAGE INTENTIONALLY LEFT BLANK

N. Grants and Contracts

1. Approval of Grant and Contract Applications

   All applications for grants and contracts in excess of one million dollars ($1,000,000) that require the institution or agency to dedicate current funds or facilities or will obligate the institution or agency or state to dedicate future funding or facilities require approval by the executive director. Cost sharing or other types of in-kind matching requirements are not considered as dedicated commitments. If there is no dedicated funding or facilities obligation, the application may be approved by the chief executive officer of the institution or agency or his or her designee. When requests for approval of such applications are presented to the executive director the following information shall be included:

   a. Agency to which application is made.

   b. Amount of the proposal.

   c. Period of the grant or contract.

   d. Purpose of the grant or contract.

   e. Nature of obligations including amount of funds involved or facilities to be committed.

2. Acceptance of Grants and Contracts

   Grants and contracts accepted by an institution or agency shall be reported to the Board in August of each year, when the amount of the grant or contract award exceeds one million dollars ($1,000,000). The following information must be provided:

   a. Name of grantor or contract.

   b. Amount of the grant or contract.

   c. Grant or contract period.

   d. Purpose of the grant or contract.

   e. Indicate nature of institution or agency's obligations in the form of dedicated funding or dedication of significant facilities.

3. Facilities and Administrative Indirect Cost Recovery

a. The following indirect cost recovery rates will be used by institutions and agencies under the governance of the Board for grant and contract services:

   i. For grants and contracts with the federal government:
      1) The indirect cost recovery rates are those negotiated between the institution or agency and the federal government.
      2) The indirect cost recovery rate may vary from one classification (e.g. research, instruction, public service/outreach, etc.) to another, but institutions and agencies are encouraged to maximize indirect cost recovery rates.
      3) Institutions or agencies may accept indirect cost recovery rates below the institution's/agency's negotiated rate when federal laws, federal programs or policies of the federal agencies limit the rate.

   ii. For state grants and contracts with or administered by the Office of the State Board of Education, the Division of Professional-Technical Education, or the Division of Vocational Rehabilitation, no indirect cost recovery is allowed.

   iii. Except as provided above, for grants and contracts with a State of Idaho office, department, agency, authority, commission, board, institution, hospital, college, university or other instrumentality thereof, the indirect cost recovery rate is twenty percent (20%) of the total direct cost; provided however, if the funding is federal pass-through, then paragraph (1) applies.

   iv. For grants and contracts with any political subdivision of the State of Idaho as defined in Idaho Code §6-902(2):
      1) the indirect cost recovery rate is no less than twenty percent (20%) of the total direct cost unless the funding is federal pass through;
      2) If the funding is federal pass-through, then paragraph (1) applies.

   v. For grants and contracts with private entities, whether for-profit or non-profit, indirect cost recovery shall be charged at the full indirect cost recovery rate proposed to the federal government at the last rate negotiation which represents the institution's full cost of doing business.

b. Reduction or Waiver of Cost Recoveries

   i. Notwithstanding the indirect cost recovery rates established above, for good cause, the chief executive officer or his or her designee of the institution or agency is authorized to reduce or waive indirect cost recoveries.

   ii. Discretionary reductions or waivers of indirect costs must be reported to the Board office in August of each year.

4. Restrictions on Contract Services

   a. Research or consultant entities of agencies and institutions under the governance of the Board may not bid on contract services when it appears that the contract services are reasonably available from the private sector.

   b. If the product of contract work is to be privileged or its dissemination restricted, the agency or institution may not undertake the contract work without the written approval of the chief executive officer of the agency or institution.

THIS PAGE INTENTIONALLY LEFT BLANK

SUBJECT

Board Policy V.R. - Professional Fees; Self-Support Certificate and Program Fees – second reading

REFERENCE

December 2010	Board approved first reading of changes to Self-Support Fee policy
February 2011	Second reading pulled from agenda by unanimous consent and returned to CAAP for further review
December 2011	Board approved first reading of changes to Professional Fee and Self-Support Fee policy

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.R.3.a.iv - v.

BACKGROUND / DISCUSSION

In December 2011 the Board approved the first reading to amend Board policy on Professional Fees and Self-support Fees.

Professional Fees

Several institutions expressed concern about first reading changes to the Professional Fee policy. First, under V.R.3.a.iv.1)a) staff originally proposed changing the policy to read that professional fees may be assessed for a degree which qualifies a student to practice a profession for which credentialing or licensing to practice is required. Institutions were concerned that certain fields which may otherwise meet the criteria for a professional fee, would not be eligible because credentialing or licensing is common but not required. Staff re-wrote the paragraph in an attempt to distinguish professional degree programs from academic degrees. The primary distinction is that a professional degree program trains an individual for a particular profession or career, whereas an academic degree imparts new knowledge and educates broadly in a field or discipline. The former also usually has some ultimate certification or licensing process, but policy would not require such to be eligible for the fee.

Institutions also expressed concern about the prior accreditation requirement. Staff added a suggested change to provide that a new program may also be eligible if it is “actively seeking accreditation.”

Staff also clarified the following:

- For purposes of this fee, “academic” means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master’s, specialist or doctoral degree.

- The program must be consistent with traditional academic offerings of the institution by serving a population that accesses the same activities, services, and features as regular full-time, tuition-paying students.
- Upon the approval and establishment of a professional fee, course fees associated with the same program shall be prohibited, except those that are designated to cover the cost of identified consumables associated with a specific course.
- Upon Board approval of a fee, any subsequent fee increases require prior Board approval.

Self-Support Program Fees:
Staff incorporated a minor edit to V.R.3.a.v.1)c) at the suggestion of an institution which simply reorders the words to change emphasis.

Staff also clarified the following:

- For purposes of this fee, "academic" means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master's, specialist or doctoral degree.
- If a Self-support program fee is requested for a new program, an institution may front program start-up costs with appropriated or local funds, but all such funding shall be repaid from program revenue within three years of program start-up.
- Upon Board approval of a fee, any subsequent fee increases require prior Board approval.

IMPACT

The proposed revisions help distinguish professional fee from self-support fee programs, and establish a clear process for program approval.

ATTACHMENTS

Attachment 1- Board Policy Section V.R. – redline Page 3
Attachment 2 - Board Policy Section V.R. – clean Page 11

STAFF COMMENTS AND RECOMMENDATIONS

First reading changes are marked-up in red. Second reading changes are marked-up in blue. Staff recommends approval.

BOARD ACTION

I move to approve the second reading of proposed amendments to Board Policy Section V.R.3.a.iv. Professional Fees, and Section V.R.3.a.v. Self-Support Certificate and Program Fees, as presented in Attachment 1.

Moved by____________ Seconded by_____________ Carried Yes____ No____

1. Board Policy on Student Tuition and Fees

Consistent with the Statewide Plan for Higher Education in Idaho, the institutions shall maintain tuition and fees that provide for quality education and maintain access to educational programs for Idaho citizens. In setting fees, the Board will consider recommended fees as compared to fees at peer institutions, percent fee increases compared to inflationary factors, fees as a percent of per capita income and/or household income, and the share students pay of their education costs. Other criteria may be considered as is deemed appropriate at the time of a fee change. An institution cannot request more than a ten percent (10%) increase in the total full-time student fee unless otherwise authorized by the Board.

2. Tuition and Fee Setting Process – Board Approved Tuition and Fees

a. Initial Notice

A proposal to alter student tuition and fees covered by Subsection V.R.3. shall be formalized by initial notice of the chief executive officer of the institution at least six (6) weeks prior to the Board meeting at which a final decision is to be made.

Notice will consist of transmittal, in writing, to the student body president and to the recognized student newspaper during the months of publication of the proposal contained in the initial notice. The proposal will describe the amount of change, statement of purpose, and the amount of revenues to be collected.

The initial notice must include an invitation to the students to present oral or written testimony at the public hearing held by the institution to discuss the fee proposal. A record of the public hearing as well as a copy of the initial notice shall be made available to the Board.

b. Board Approval

Board approval for fees will be considered when appropriate or necessary. This approval will be timed to provide the institutions with sufficient time to prepare the subsequent fiscal year operating budget.

c. Effective Date

Any change in the rate of tuition and fees becomes effective on the date approved by the Board unless otherwise specified.

3. Definitions and Types of Tuition and Fees

The following definitions are applicable to tuition and fees charged to students at all of the state colleges and universities, except where limited to a particular institution or institutions.

a. General and Professional-Technical Education Tuition and Fees

Tuition and fees approved by the State Board of Education. Revenues from these fees are deposited as required by Section V, Subsection Q.

i. Tuition fees– Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho

Tuition fees are the fees charged for any and all educational costs at Boise State University, Idaho State University, Lewis Clark State College and University of Idaho. Tuition fees include, but are not limited to, costs associated with academic services; instruction; the construction, maintenance, and operation of buildings and facilities; student services; or institutional support.

ii. Professional-Technical Education Fee

Professional-Technical Education fee is defined as the fee charged for educational costs for students enrolled in Professional-Technical Education pre-employment, preparatory programs.

iii. Part-time Credit Hour Fee

Part-time credit hour fee is defined as the fee per credit hour charged for educational costs for part-time students enrolled in any degree program.

iv. Graduate Fee

Graduate fee is defined as the additional fee charged for educational costs for full-time and part-time students enrolled in any post- baccalaureate degree-granting program.

v. Western Undergraduate Exchange (WUE) Fee

Western Undergraduate Exchange fee is defined as the additional fee for full-time students participating in this program and shall be equal to fifty percent (50%) of the total of the tuition fee, matriculation fee, facility fee, and activity fee.

vi. Employee/Spouse Fee

The fee for eligible participants shall be a registration fee of twenty dollars ($20.00) plus five dollars ($5.00) per credit hour. Eligibility shall be determined by each institution. Employees at institutions and agencies under the jurisdiction of the Board may be eligible for this fee. Special course fees may also be charged.

vii. Senior Citizen Fee

The fee for Idaho residents who are 60 years of age or older shall be a registration fee of twenty dollars ($20.00) plus five dollars ($5.00) per credit hour. This fee is for courses on a space available basis only. Special course fees may also be charged.

viii. In-Service Teacher Education Fee

The fee shall not exceed one-third of the average part-time undergraduate credit hour fee or one-third of the average graduate credit hour fee. This special fee shall be applicable only to approved teacher education courses. The following guidelines will determine if a course or individual qualifies for this special fee.

(1) The student must be an Idaho certified teacher or other professional employee at an Idaho elementary or secondary school.

(2) The costs of instruction are paid by an entity other than an institution.

(3) The course must be approved by the appropriate academic unit(s) at the institution.

(4) The credit awarded is for professional development and cannot be applied towards a degree program.

ix. Workforce Training Credit Fee

This fee is defined as a fee charged students enrolled in a qualified Workforce Training course where the student elects to receive credit. The fee is charged for processing and transcripting the credit. The cost of delivering Workforce Training courses, which typically are for noncredit, is an additional fee since Workforce Training courses are self-supporting. The fees for delivering the courses are retained by the technical colleges. The Workforce Training fee shall be $10.00 per credit.

b. Institutional Local Fees – Approved by the Board

Institutional local fees are both full-time and part-time student fees that are approved by the State Board of Education and deposited into local institutional accounts. Local fees shall be expended for the purposes for which they were collected.

The facilities, activity and technology fees shall be displayed with the institution's tuition and fees when the Board approves tuition and fees.

i. Facilities Fee

Facilities fee is defined as the fee charged for capital improvement and building projects and for debt service required by these projects. Revenues collected from this fee may not be expended on the operating costs of the general education facilities.

ii. Activity Fee

Activity fee is defined as the fee charged for such activities as intercollegiate athletics, student health center, student union operations, the associated student body, financial aid, intramural and recreation, and other activities which directly benefit and involve students. The activity fee shall not be charged for educational costs or major capital improvement or building projects. Each institution shall develop a detailed definition and allocation proposal for each activity for internal management purposes.

iii. Technology Fee

Technology fee is defined as the fee charged for campus technology enhancements and operations.

iv. Professional Fees

To designate an academic professional fee for a Board approved program, *all* of the following criteria must be met:

1) ~~Credentialing or Licensure~~ Requirement:

a) A professional fee may be assessed for an academic professional program if ~~graduates of the professional program obtain a specialized~~

~~higher education degree that qualifies them to practice a professional service or to be eligible forprofession for which credentialing or licensing to practice is required a professional service~~ the program trains an individual for a specific profession or career. For purposes of this fee, "academic" means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master's, specialist or doctoral degree. A defining characteristic of an eligible program is one which will involve practical training in the application of knowledge to a singular and specific career, industry or profession as opposed to a general academic degree which imparts new knowledge and educates broadly in a field or discipline.

b) The program leads to a certificate or degree that ~~where the degree~~ is at least the minimum required for entry to the practice of a profession.

2) Accreditation Requirement ~~(if applicable)~~: The program ~~meets the requirements of~~ is accredited (or actively seeking accreditation if a new program) by a ~~national/~~specialized~~/~~ or professional accrediting agenc~~ies~~y ~~as defined by the State Board of Education~~.

3) Extraordinary Program Costs: ~~The~~ An institution must provide clear and convincing documentation that the cost of the professional program significantly exceeds the cost to deliver ~~of~~ non-professional programs at the institution. ~~Institutions will be required to provide documentation to support the reported cost of the program.~~ A reduction in appropriated funding in support of the program is not a sufficient basis alone for making a claim for extraordinary program costs.

4) The program ~~must~~ may include support from appropriated funds.

5) The program is consistent with traditional academic offerings of the institution by serving a population that accesses the same activities, services, and features as regular full-time, tuition-paying students.

6) Upon the approval and establishment of a professional fee, course fees associated with the same program shall be prohibited, except those that are designated to cover the cost of identified consumables associated with a specific course.

7) Once a professional fee is initially approved by the Board, any subsequent increase in a professional fee shall require prior approval by the Board at the same meeting institutions submit proposals for tuition and fees.

~~Institutions will propose professional fees for Board approval based on the costs to deliver the program.~~

v. Self-Support ~~Certificate and~~ Academic Program Fees

1) Self-support programs are academic degrees or certificates for which students are charged program fees, in lieu of tuition. For purposes of this fee, "academic" means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master's, specialist or doctoral degree. To bring a Self-support program fee to the Board for approval, the following criteria must be met:

   a) An institution shall follow the program approval guidelines set forth in policy III.G.
   b) The Self-support program shall be a defined set of specific courses that once successfully completed result in the awarding of an academic certificate or degree.
   c) The Self-support program shall be distinct from the traditional offerings of the institution by serving a ~~being delivered fully online, being offered off-campus, or being designed specifically for working professionals or other~~ population~~s~~ that does not access the same activities, services and features as full-time, tuition paying students, such as programs designed specifically for working professionals, programs offered off-campus, or programs delivered completely online.
   d) No appropriated funds may be used in support of Self-support programs. Self-support program fee revenue shall cover all direct costs of the program. In addition, Self-support program fee revenue shall cover all indirect costs of the program within two years of program start-up.
   e) Self-support program fees shall be segregated, tracked and accounted for separately from all other programs of the institution.

2) If a Self-support program fee is requested for a new program, an institution may front program start-up costs with appropriated or local funds, but all such funding shall be repaid to the institution from program revenue within a period not to exceed three years from program start-up.

~~2~~3) Once a Self-support program fee is initially approved by the Board, any subsequent increase in a Self-support program fee shall ~~be reported annually to~~ require prior approval by the Board at the same ~~time~~ meeting institutions submit proposals for tuition and fees.

~~3~~4) Institutions shall annually audit Self-support academic programs to ensure that program revenue is paying for all program costs, direct and indirect, and that no appropriated funds are supporting the program.

~~4~~5) Students enrolled in self-support programs may take courses outside of the program so long as they pay the required tuition and fees for those courses.

~~Self-support certificates and programs are a defined set of specific courses that must all be successfully completed in order to earn the certificate. Such programs must be encapsulated, separate and distinct from the regular courses of the institution. Institutions may offer self-support certificates and programs if the fees assessed cover all costs of the program and no appropriated funds are used to support the program. In addition, students pay a fee for the entire program and may not enroll for program courses on an individual course-by-course basis. Students enrolled in the self-support programs may take courses outside of the program as long as they pay the required tuition and fees for those courses. Institutions will establish such fees on an individual program basis according to anticipated expenditures. Self-support certificate and program fees are retained by the institution.~~

vi. Contracts and Grants

Special fee arrangements are authorized by the Board for instructional programs provided by an institution pursuant to a grant or contract approved by the Board.

vii. Student Health Insurance Premiums or Room and Board Rates

Fees for student health insurance premiums paid either as part of the uniform student fee or separately by individual students, or charges for room and board at the dormitories or family housing units of the institutions. Changes in insurance premiums or room and board rates or family housing charges shall be approved by the Board no later than three (3) months prior to the semester the change is to become effective. The Board may delegate the approval of these premiums and rates to the chief executive officer.

c. Institutional Local Fees and Charges Approved by Chief Executive Officer

These local fees and charges are assessed to support specific activities and are only charged to students that engage in these particular activities. Local fees and charges are deposited into local institutional accounts and shall only be expended for the purposes for which they were collected.

i. Continuing Education

Continuing education fee is defined as the additional fee to part-time students which is charged on a per credit hour basis to support the costs of continuing education.

ii. Course Overload Fee

This fee may be charged to full-time students with excessive course loads as determined by each institution.

iii. Special Course Fees or Assessments

A special course fee is a fee required for a specific course or special activity and, therefore, not required of all students enrolled at the institution. Fees such as penalty assessments, library fines, continuing education fees, parking fines, laboratory fees, breakage fees, fees for video outreach courses, late registration fees, and fees for special courses offered for such purposes as remedial education credit that do not count toward meeting degree requirements are considered special course fees. All special course fees or penalty assessments, or changes to such fees or assessments, are established and become effective in the amount and at the time specified by the chief executive officer of the institution. The chief executive officer is responsible for reporting these fees to the Board upon request.

1. Board Policy on Student Tuition and Fees

   Consistent with the Statewide Plan for Higher Education in Idaho, the institutions shall maintain tuition and fees that provide for quality education and maintain access to educational programs for Idaho citizens. In setting fees, the Board will consider recommended fees as compared to fees at peer institutions, percent fee increases compared to inflationary factors, fees as a percent of per capita income and/or household income, and the share students pay of their education costs. Other criteria may be considered as is deemed appropriate at the time of a fee change. An institution cannot request more than a ten percent (10%) increase in the total full-time student fee unless otherwise authorized by the Board.

2. Tuition and Fee Setting Process – Board Approved Tuition and Fees

   a. Initial Notice

      A proposal to alter student tuition and fees covered by Subsection V.R.3. shall be formalized by initial notice of the chief executive officer of the institution at least six (6) weeks prior to the Board meeting at which a final decision is to be made.

      Notice will consist of transmittal, in writing, to the student body president and to the recognized student newspaper during the months of publication of the proposal contained in the initial notice. The proposal will describe the amount of change, statement of purpose, and the amount of revenues to be collected.

      The initial notice must include an invitation to the students to present oral or written testimony at the public hearing held by the institution to discuss the fee proposal. A record of the public hearing as well as a copy of the initial notice shall be made available to the Board.

   b. Board Approval

      Board approval for fees will be considered when appropriate or necessary. This approval will be timed to provide the institutions with sufficient time to prepare the subsequent fiscal year operating budget.

   c. Effective Date

      Any change in the rate of tuition and fees becomes effective on the date approved by the Board unless otherwise specified.

3. Definitions and Types of Tuition and Fees

   The following definitions are applicable to tuition and fees charged to students at all of the state colleges and universities, except where limited to a particular institution or institutions.

   a. General and Professional-Technical Education Tuition and Fees

      Tuition and fees approved by the State Board of Education. Revenues from these fees are deposited as required by Section V, Subsection Q.

      i. Tuition fees– Boise State University, Idaho State University, Lewis-Clark State College, University of Idaho

         Tuition fees are the fees charged for any and all educational costs at Boise State University, Idaho State University, Lewis Clark State College and University of Idaho. Tuition fees include, but are not limited to, costs associated with academic services; instruction; the construction, maintenance, and operation of buildings and facilities; student services; or institutional support.

      ii. Professional-Technical Education Fee

         Professional-Technical Education fee is defined as the fee charged for educational costs for students enrolled in Professional-Technical Education pre-employment, preparatory programs.

      iii. Part-time Credit Hour Fee

         Part-time credit hour fee is defined as the fee per credit hour charged for educational costs for part-time students enrolled in any degree program.

      iv. Graduate Fee

         Graduate fee is defined as the additional fee charged for educational costs for full-time and part-time students enrolled in any post- baccalaureate degree-granting program.

      v. Western Undergraduate Exchange (WUE) Fee

         Western Undergraduate Exchange fee is defined as the additional fee for full-time students participating in this program and shall be equal to fifty percent (50%) of the total of the tuition fee, matriculation fee, facility fee, and activity fee.

vi. Employee/Spouse Fee

The fee for eligible participants shall be a registration fee of twenty dollars ($20.00) plus five dollars ($5.00) per credit hour. Eligibility shall be determined by each institution. Employees at institutions and agencies under the jurisdiction of the Board may be eligible for this fee. Special course fees may also be charged.

vii. Senior Citizen Fee

The fee for Idaho residents who are 60 years of age or older shall be a registration fee of twenty dollars ($20.00) plus five dollars ($5.00) per credit hour. This fee is for courses on a space available basis only. Special course fees may also be charged.

viii. In-Service Teacher Education Fee

The fee shall not exceed one-third of the average part-time undergraduate credit hour fee or one-third of the average graduate credit hour fee. This special fee shall be applicable only to approved teacher education courses. The following guidelines will determine if a course or individual qualifies for this special fee.

(1) The student must be an Idaho certified teacher or other professional employee at an Idaho elementary or secondary school.

(2) The costs of instruction are paid by an entity other than an institution.

(3) The course must be approved by the appropriate academic unit(s) at the institution.

(4) The credit awarded is for professional development and cannot be applied towards a degree program.

ix. Workforce Training Credit Fee

This fee is defined as a fee charged students enrolled in a qualified Workforce Training course where the student elects to receive credit. The fee is charged for processing and transcripting the credit. The cost of delivering Workforce Training courses, which typically are for noncredit, is an additional fee since Workforce Training courses are self-supporting. The fees for delivering the courses are retained by the technical colleges. The Workforce Training fee shall be $10.00 per credit.

b. Institutional Local Fees – Approved by the Board

Institutional local fees are both full-time and part-time student fees that are approved by the State Board of Education and deposited into local institutional accounts. Local fees shall be expended for the purposes for which they were collected.

The facilities, activity and technology fees shall be displayed with the institution's tuition and fees when the Board approves tuition and fees.

i. Facilities Fee

Facilities fee is defined as the fee charged for capital improvement and building projects and for debt service required by these projects. Revenues collected from this fee may not be expended on the operating costs of the general education facilities.

ii. Activity Fee

Activity fee is defined as the fee charged for such activities as intercollegiate athletics, student health center, student union operations, the associated student body, financial aid, intramural and recreation, and other activities which directly benefit and involve students. The activity fee shall not be charged for educational costs or major capital improvement or building projects. Each institution shall develop a detailed definition and allocation proposal for each activity for internal management purposes.

iii. Technology Fee

Technology fee is defined as the fee charged for campus technology enhancements and operations.

iv. Professional Fees

To designate an academic professional fee for a Board approved program, *all* of the following criteria must be met:

1) General Characteristics of Eligible Programs

a) A professional fee may be assessed for an academic professional degree program. For purposes of this fee, "academic" means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master's, specialist or doctoral degree. A defining characteristic of an eligible program is one which will involve practical training in the application of knowledge to a singular and specific career, industry or profession as opposed to a general academic degree which imparts new knowledge and educates broadly in a field or discipline.

b) The program leads to a certificate or degree that is at least the minimum required for entry to the practice of a profession, usually geared towards some ultimate credential or license.

2) Accreditation Requirement: The program is accredited (or actively seeking accreditation if a new program) by a specialized or professional accrediting agency.

3) Extraordinary Program Costs: An institution must provide clear and convincing documentation that the cost of the professional program significantly exceeds the cost to deliver non-professional programs at the institution. A reduction in existing appropriated funding in support of the program is not a sufficient basis alone for making a claim for extraordinary program costs.

4) The program may include support from appropriated funds.

5) The program is consistent with traditional academic offerings of the institution by serving a population that accesses the same activities, services, and features as regular full-time, tuition-paying students.

6) Upon the approval and establishment of a professional fee, course fees associated with the same program shall be prohibited, except those that are designated to cover the cost of identified consumables associated with a specific course.

7) Once a professional fee is initially approved by the Board, any subsequent increase in a professional fee shall require prior approval by the Board at the same meeting institutions submit proposals for tuition and fees.

v. Self-Support Academic Program Fees

1) Self-support programs are academic degrees or certificates for which students are charged program fees, in lieu of tuition. (For purposes of this fee, “academic” means a systematic, usually sequential, grouping of courses that provide the student with the knowledge and competencies required for an academic certificate, baccalaureate, master’s, specialist or doctoral degree.) To bring a Self-support program fee to the Board for approval, all of the following criteria must be met:

a) An institution shall follow the program approval guidelines set forth in policy III.G.
b) The Self-support program shall be a defined set of specific courses that once successfully completed result in the awarding of an academic certificate or degree.
c) The self-support program shall be distinct from the traditional offerings of the institution by serving a population that does not access the same activities, services, and features as full-time, tuition-paying students, such as programs designed specifically for working professionals, programs offered off-campus, or programs delivered completely online.
d) No appropriated funds may be used in support of Self-support programs. Self-support program fee revenue shall cover all direct costs of the program. Self-support program fee revenue shall cover all indirect costs of the program within two years of program start-up.
e) Self-support program fees shall be segregated, tracked and accounted for separately from all other programs of the institution.

2) If a Self-support program fee is requested for a new program, an institution may front program start-up costs with appropriated or local funds, but all such funding shall be repaid to the institution from program revenue within a period not to exceed three years from program start-up.
3) Once a Self-support program fee is initially approved by the Board, any subsequent increase in a Self-support program fee shall require prior approval by the Board at the same meeting institutions submit proposals for tuition and fees.
4) Institutions shall annually audit Self-support academic programs to ensure that program revenue is paying for all program costs, direct and indirect, and that no appropriated funds are supporting the program.
5) Students enrolled in Self-support programs may take courses outside of the program so long as they pay the required tuition and fees for those courses.

vi. Contracts and Grants

Special fee arrangements are authorized by the Board for instructional programs provided by an institution pursuant to a grant or contract approved by the Board.

vii. Student Health Insurance Premiums or Room and Board Rates

Fees for student health insurance premiums paid either as part of the uniform student fee or separately by individual students, or charges for room and board at the dormitories or family housing units of the institutions.

Changes in insurance premiums or room and board rates or family housing charges shall be approved by the Board no later than three (3) months prior to the semester the change is to become effective. The Board may delegate the approval of these premiums and rates to the chief executive officer.

c. Institutional Local Fees and Charges Approved by Chief Executive Officer

These local fees and charges are assessed to support specific activities and are only charged to students that engage in these particular activities. Local fees and charges are deposited into local institutional accounts and shall only be expended for the purposes for which they were collected.

i. Continuing Education

Continuing education fee is defined as the additional fee to part-time students which is charged on a per credit hour basis to support the costs of continuing education.

ii. Course Overload Fee

This fee may be charged to full-time students with excessive course loads as determined by each institution.

iii. Special Course Fees or Assessments

A special course fee is a fee required for a specific course or special activity and, therefore, not required of all students enrolled at the institution. Fees such as penalty assessments, library fines, continuing education fees, parking fines, laboratory fees, breakage fees, fees for video outreach courses, late registration fees, and fees for special courses offered for such purposes as remedial education credit that do not count toward meeting degree requirements are considered special course fees. All special course fees or penalty assessments, or changes to such fees or assessments, are established and become effective in the amount and at the time specified by the chief executive officer of the institution. The chief executive officer is responsible for reporting these fees to the Board upon request.

THIS PAGE INTENTIONALLY LEFT BLANK

BOISE STATE UNIVERSITY

SUBJECT

Community Park and Ride Property Purchase

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.2

BACKGROUND/DISCUSSION

Boise State University's (BSU) Campus Master Plan envisions a reduction of interior surface parking lots to provide for more efficient, higher-density redevelopment. According to the Master Plan, as development proceeds, displaced parking spots will be relocated to parking structures on the perimeter of campus. However, structure parking costs considerably more to develop and operate than surface parking and these costs are passed on to end users, in this case students and employees. One way to continue to provide lower cost parking options is to develop off-site park and ride lots.

The University has applied for and been awarded a Federal Transportation Administration (FTA) grant for the development of a community park and ride parking lot and bus storage facility. Other agencies dedicated to enhancing regional transportation have committed supplemental funding by redirecting federal transportation grants from other projects to this project. The sum of federal grant funds, $1,944,879, plus a local match from the University of $274,152 combine to total $2,219,031 in project funds.

The facility will be owned and managed by the University, but grant restrictions require that the parking lot be available to the community on the same terms as University students and employees.

Working with a consultant and the regional transportation authority, the University analyzed dozens of potential locations and through collective prioritization selected an optimal location. Following the FTA process, the University completed the appropriate environmental review and site appraisal for the preferred site. These documents have been approved by the grantor and under the terms of the grant the University may now proceed with purchase negotiations.

The preferred site is located just west of Vista on West Elder Street, near Vista and I-84. The site consists of 2 parcels. The two parcels (parcel numbers R2320000190 and R2320000200), which are owned by a Midwest hotel company, total 2.31 acres and are valued at $1,410,000. These parcels are currently for sale on the open market.

The University requests authorization to extend an offer to purchase both parcels for a total price not to exceed $1,410,000. If the purchase is approved by the Board, final purchase remains contingent upon FTA approval and execution of the grant.

The total amount of available funding far exceeds the maximum purchase price of $1,410,000. The balance of the funds will be used for the design and construction of a community park and ride parking lot including University shuttle storage and maintenance. The University will return to the Board at a later date for required approvals related to this portion of the project.

IMPACT

The University will commit $274,152 to the project to be combined with federal grant funds of $1,944,879 for a total project budget of $2,219,031.

STAFF COMMENTS AND RECOMMENDATIONS

This is a request by BSU for approval for the purchase of real property. Intended use of the property is for an off-campus community park and ride parking lot. The appraised value for both parcels is $1.41M. The 2011 assessed value is $541,700 for parcel R232000190 and $399,100 for parcel R2320000200; down from $637,300 and $469,600, respectively, from last year when BSU identified the properties.

BOARD ACTION

I move to approve the request by Boise State University to purchase two parcels of real property totaling 2.31 acres (parcels R2320000190 and R2320000200) in connection with the development of a community park and ride parking lot and bus storage facility for an amount not to exceed $1,410,000, and to authorize the University's Vice President for Finance and Administration to execute all necessary documents on behalf of the Idaho State Board of Education.

Moved by _________ Seconded by __________ Carried Yes ______ No ______

BOISE STATE UNIVERSITY

SUBJECT

Authorization for issuance of general revenue and refunding bonds

REFERENCE

December 2010	Bronco Stadium future projects update
February 2011	Board approved request to begin preliminary design
September 2011	Board approved construction of Dona Larsen Park Track and Field and related facilities
October 2011	Bronco Stadium Expansion Project, Phase I Update
December 2011	Board approved construction of Bronco Stadium Expansion Project, Phase I, Football Complex

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.B.10., V.F.
Section 33-3804, Idaho Code

BACKGROUND/DISCUSSION

In December 2011 the Board authorized Boise State University to proceed with construction of Phase I of the Bronco Stadium Expansion project. This request pertains to financing of the football complex. The University requests the Board's approval to issue approximately $_________________ in tax-exempt general revenue and refunding bonds ("Series 2012A Bonds") pursuant to a Supplemental Bond Resolution. $17.5 million of the proceeds of the series 2012A Bonds will be used to partially finance the construction of the Bronco Stadium Expansion Project, Phase I, Football Complex. The cost in excess of the bonds will be funded by donations. Remaining bond proceeds will be used to cover the cost of issuance.

The Football Complex is an addition to the Bronco Stadium facilities and consists of approximately 69,000 gross square feet of all-sports training and hydrotherapy facilities, a strength training and cardiovascular room, football team locker room, football team meeting rooms, football coaches' offices, football coach and staff locker rooms, academic study areas, a recruiting lounge, equipment storage and checkout, loading dock, and other infrastructure support spaces. The improvements provided by this new facility are needed to support the development of the football program, provide facilities that are more comparable to our conference peers, and to enhance recruiting.

The total budget for the Football Complex is $22 million. Bidding is scheduled to begin in February or March 2012 with anticipated construction completion in summer 2013.

With the assistance of its bond underwriter, the University periodically reviews outstanding bond issues to assess whether market conditions warrant refinancing to take advantage of lower interest rates. The University is evaluating refunding of the Series 2003 and Series 2004A in an aggregate principal amount of $7,185,000. In the event that market conditions are no longer favorable at the time of the meeting, no refunding bonds will be issued.

Principal Amount

Approximately $_______________

Maturities

To be determined the day of pricing.

Amortization Plan

The amortization schedule for the Series 2012A bonds reflects (level debt service).

Interest Rates

To be determined the day of pricing.

Source of Security

General Revenue pledge of the University, excluding appropriated funds, grants, contract revenues and restricted gifts.

Ratings

Rating agency updates were conducted the week of January 9, 2012, in anticipation of the 2012A issuance. The University's current ratings of A1/A+ were reaffirmed by Moody's Investors Service and Standard & Poor's, respectively (see Attachments 3 and 4).

Documents to be Provided at the Board Meeting

Once pricing is concluded, the University will provide the following at the Board meeting:

1. Bond sizing analysis showing final amounts, interest rates and maturities on the bonds;

2. Final Supplemental Bond Resolution showing rates and maturities of the bonds; and

3. Insert of new Appendix A to Bond Purchase Agreement showing bond rates and maturities.

Bond pricing will occur on the 16th day of February, 2012. Agenda consideration after 2:00 pm MST is requested.

IMPACT

Cost estimates based on the design development documents indicate construction costs of $16,976,825. Contingencies, architectural and engineering fees, commissioning, testing, and other administrative and soft costs bring the estimated total project cost to $22,000,000.

Current project funding sources include:

Private Gifts and Pledges	$ 4,500,000
Bond Proceeds from New Debt	$17,500,000
Total	$22,000,000

This project will be procured through the standard process using the State of Idaho's Division of Public Works and the State of Idaho Department of Administration, Division of Purchasing, as appropriate.

The refunding of the Series 2003 and Series 2004A in the aggregate principal amount of $7,185,000[1] would result in a debt service net present value savings in the amount of approximately $400,000.[2]

STAFF COMMENTS AND RECOMMENDATIONS

Board approval of this bond issuance would bring BSU's total projected annual debt service to approximately $18.6M for the first six years, and decreasing thereafter. However, refunding savings from the 2012A issuance are not reflected in total debt service amounts, so projected amounts are conservatively overstated. BSU's current debt service as a percent of operating budget is 6.1%. This bond issuance would increase that ratio to 6.5%. The Board has informally considered 8% as a debt service ceiling.

Debt projection revenue assumptions include:
1. 0% student growth from student fees; $25 new strategic facilities fee in FY2013
2. 2% base reduction in FY2013; no increase in appropriated funds in out-years
3. Gifts and auxiliary revenues flat at FY2011 levels

[1] Exact series and amounts will be available at the Board meeting.

[2] Exact amount will be available at the Board meeting.

4. 3% decrease in federal grants in FY2013
5. 5.5% interest rate for 30 years

The Series 2012A Bonds would be secured by Pledged Revenues on a parity with the other Bonds. Pledged Revenues include:

(i) student fees;
(ii) sales and service revenues;
(iii) revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University;
(iv) various revenues generated from miscellaneous sources, including non-auxiliary advertising, vending in non-auxiliary buildings, postage and printing;
(v) Investment Income (as defined in APPENDIX C); and
(vi) other revenues as the Board shall designate as Pledged Revenues.

Pledged Revenues do not include State appropriations, which by law cannot be pledged. Pledged Revenues also exclude restricted gift and grant revenues and federal interest subsidy payments made to the University with respect to the Series 2010B Bonds or any future Bonds. Under the Resolution, the University has covenanted to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding Bonds for each fiscal year.

The Board approved BSU's request to proceed with construction of this project in December 2011. The project cost estimate of $22M has remained unchanged, making this request for approval of financing consistent with previous representations by BSU.

As part of this issuance, the University also stands to benefit from the refinancing of two outstanding bond issues.

Staff recommends approval.

ATTACHMENTS

Attachment 1 - Draft Supplemental Bond Resolution	Page 7
Attachment 2 - Draft Bond Purchase Agreement	Page 27
Attachment 3 - Moody's 2012A Rating Report	Page 51
Attachment 4 - Standard & Poor's 2012A Rating Report	Page 61
Attachment 5 – Debt Service Projection	Page 69
Attachment 6 – Ten Year Debt Projection	Page 70
Attachment 7 - Preliminary Official Statement	Page 71

BOARD ACTION

I move to approve the finding that the Bronco Stadium Expansion Phase I is economically feasible and necessary for the proper operation of the University and to approve a Supplemental Resolution for the Series 2012A Bonds, the title of which is as follows:

> A SUPPLEMENTAL RESOLUTION of the Board of Trustees of Boise State University authorizing the issuance and sale of (i) General Revenue Bonds, Series 2012A, in the principal amount of up to $______________; authorizing the execution and delivery of a Bond Purchase Agreement and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2012A Bonds.

and to direct Board staff to provide written notification of final Board approval to the Joint Finance-Appropriations Committee within ten business days.

Roll call vote is required.

Moved by _________ Seconded by __________ Carried Yes ______ No ______

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTAL RESOLUTION

Authorizing the Issuance and Sale of

Boise State University
$____________ General Revenue Project and Refunding Bonds,
Series 2012A

Adopted February 16, 2012

TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS	2
Section 101.	Definitions	2
Section 102.	Authority for Supplemental Resolution	3
ARTICLE II	AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2012A BONDS	3
Section 201.	Authorization of Series 2012A Bonds, Principal Amount, Designation and Series;	3
Section 202.	Finding and Purpose	3
Section 203.	Issue Date	4
Section 204.	Series 2012A Bonds	4
Section 205.	Sale of Series 2012A Bonds	4
Section 206.	Execution and Delivery of Series 2012A Bonds	5
Section 207.	Redemption of Series 2012A Bonds	5
Section 208.	Form of Series 2012A Bond	5
Section 209.	Submittal to Attorney General	6
Section 210.	Book-Entry-Only System	6
Section 211.	Successor Securities Depository	7
ARTICLE III	CREATION OF ACCOUNTS, APPLICATION OF BOND PROCEEDS	7
Section 301.	Creation of Accounts	7
Section 302.	Application of Proceeds of Series 2012A Bonds	7
ARTICLE IV	MISCELLANEOUS	8
Section 401.	Other Actions With Respect to the Series 2012A Bonds	8
Section 402.	Partial Invalidity	8
Section 403.	Conflicting Resolutions; Effective Date	9

EXHIBIT A — Form of Series 2012A Bonds
EXHIBIT B — Form of Written Certificate and Request

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION authorizing the issuance and sale of $__________ General Revenue Project and Refunding Bonds, Series 2012A of Boise State University; authorizing the execution and delivery of a Bond Purchase Agreement, an Escrow Agreement and a Continuing Disclosure Undertaking; and providing for other matters relating to the authorization, issuance, sale and payment of the Series 2012A Bonds.

* * *   * * *

WHEREAS, Boise State University (the *"University"*) is a state institution of higher education and body politic and corporate organized and existing under and pursuant to the constitution and laws of the State of Idaho; and

WHEREAS, the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the *"Board"*), is authorized, pursuant to Title 33, Chapter 38 and Title 57, Chapter 5, Idaho Code, to issue bonds to finance and refinance "projects," as defined in such act; and

WHEREAS, on September 17, 1992, the Board adopted a Resolution providing for the Issuance of General Revenue Bonds, as supplemented and amended (the *"Resolution"*); and

WHEREAS, the Board has determined that refunding (i) all or a portion of the University's Student Union and Housing System Refunding Revenue Bonds, Series 2003 (the portion of such bonds to be refunded being referred to herein as the *"Series 2003 Refunded Bonds"*) and (ii) all or a portion of the University's General Revenue Bonds, Series 2004A maturing on the dates shown below (the portion of such bonds to be refunded being referred to herein as the *"Series 2004A Refunded Bonds"* and, collectively with the Series 2003 Refunded Bonds, the *"Refunded Bonds"*), as provided herein and in the hereinafter defined Escrow Agreement, will result in interest rate savings to the University; and

WHEREAS, the Board has determined to issue its $__________ General Revenue Project and Refunding Bonds, Series 2012A (the *"Series 2012A Bonds"*) pursuant to Title 33, Chapter 38, Idaho Code, and Title 57, Chapter 5, Idaho Code (collectively, the *"Act"*), and the Resolution, for the purpose of financing a portion of the cost of acquisition and construction of a football office and training facility and related facilities (the *"Series 2012A Project"*), refunding the Refunded Bonds, and paying costs of issuance of the Series 2012A Bonds;

WHEREAS, in satisfaction of Section 33-3805 of the Act, the Board has determined that the Series 2012A Project is necessary for the proper operation of the University and is economically feasible;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 101. *Definitions.* (a) Certain terms are defined in the preambles hereto. Except as provided in the preambles and subparagraph (b) of this Section, all capitalized terms contained in this Supplemental Resolution shall have the same meanings as set forth in the Resolution.

(b) As used in this Supplemental Resolution, unless the context shall otherwise require, the following terms shall have the following meanings:

"*Bond Purchase Agreement*" means the Bond Purchase Agreement dated February 16, 2012, between the Board and the Underwriter, pursuant to which the Series 2012A Bonds are to be sold.

"*Bond Register*" means the registration records of the University, maintained by the Trustee, on which shall appear the names and addresses of the Registered Owners of the Series 2012A Bonds.

"*Book-Entry System*" means the book-entry system of registration of the Series 2012A Bonds described in Section 210 of this Supplemental Resolution.

"*Cede & Co.*" means Cede & Co., as nominee of DTC.

"*Continuing Disclosure Undertaking*" means the Continuing Disclosure Undertaking with respect to the Series 2012A Bonds.

"*DTC*" means The Depository Trust Company, New York, New York.

"*DTC Participants*" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository.

"*Escrow Account*" means the account created under the Escrow Agreement for the refunding of the Refunded Bonds.

"*Escrow Agent*" means U.S. Bank National Association, as escrow agent under the Escrow Agreement.

"*Escrow Agreement*" means the Escrow Agreement between the University and the Escrow Agent, providing for the refunding of the Refunded Bonds.

"*Representation Letter*" means the Blanket Representations Letter from the University to DTC dated June 18, 1999.

"*Resolution*" means the Resolution Providing for the Issuance of General Revenue Bonds, adopted by the Board on September 17, 1992, as previously amended and supplemented, and as further amended and supplemented by this Supplemental Resolution.

"*Securities Depository*" means DTC or any successor Securities Depository appointed pursuant to Section 211.

"*Series 2012A Project Account*" means the account created by Section 302 of this Supplemental Resolution.

"*Trustee*" means U.S. Bank National Association, Salt Lake City, Utah, and its successors and permitted assigns under the Resolution, as paying agent, trustee, and registrar for the Series 2012A Bonds.

"*Underwriter*" means Barclays Capital Inc.

The terms *"hereby," "hereof," "hereto," "herein," "hereunder,"* and any similar terms as used in this Supplemental Resolution refer to this Supplemental Resolution.

Section 102. Authority for Supplemental Resolution. This Supplemental Resolution is adopted pursuant to the provisions of the Act and the Resolution.

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2012A BONDS

Section 201. Authorization of Series 2012A Bonds, Principal Amount, Designation and Series. In order to provide funds to finance the Cost of Acquisition and Construction of the Series 2012A Project, refunding the Refunded Bonds, and pay costs of issuance of the Series 2012A Bonds, and in accordance with and subject to the terms, conditions and limitations established in the Resolution, a Series of General Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of $___________. Such Series of Bonds shall be designated "General Revenue Project and Refunding Bonds, Series 2012A." The Series 2012A Bonds shall be issued only in fully-registered form, without coupons.

The Series 2012A Bonds shall be issued in denominations of $5,000 or any integral multiple thereof. The Series 2012A Bonds are secured by the pledge of the Pledged Revenues under Section 5.1 of the Resolution, equally and ratably with all Bonds issued under the Resolution.

Section 202. Finding and Purpose. The Board hereby finds, determines and declares that (i) in satisfaction of Section 57-504 of the Act, the refunding of the Refunded Bonds, as provided hereunder and in the Escrow Agreement, will result in debt service savings, (ii) in satisfaction of Section 33-3805 of the Act, the Series 2012A Project is necessary for the proper operation of the

University and is economically feasible, and (iii) the requirements of Article VII of the Resolution will have been complied with upon the delivery of the Series 2012A Bonds.

Section 203. Issue Date. The Series 2012A Bonds shall be dated the date of their original issuance and delivery.

Section 204. Series 2012A Bonds. (a) The Series 2012A Bonds shall bear interest at the rates and mature on the dates and in the principal amounts as follows:

APRIL 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
	$	%

(c) The Series 2012A Bonds shall bear interest from their dated date, payable on October 1, 2012, and semiannually thereafter on each April 1 and October 1. Interest shall be calculated on the basis of a 12-month, 360-day year.

Section 205. Sale of Series 2012A Bonds. The Series 2012A Bonds authorized to be issued herein are hereby sold to the Underwriter at an aggregate purchase price equal to $__________, representing the principal amount of the Series 2012A Bonds, plus original issuance premium of $________, on the terms and conditions set forth in the Bond Purchase Agreement. To evidence the acceptance of the Bond Purchase Agreement, the Bursar is hereby authorized to execute and deliver, on behalf of the Board and the University, the Bond Purchase Agreement, in the form presented at this meeting.

The use of the final Official Statement (the *"Official Statement"*) of the University in connection with the sale of the Series 2012A Bonds, in substantially the form presented at this meeting, with such changes, omissions, insertions and revisions as the Bursar shall approve, is hereby authorized, and the Bursar shall sign such Official Statement and deliver such Official Statement to the Underwriter for distribution to prospective purchasers of the Series 2012A Bonds and other interested persons, which signature shall evidence such approval. The use of the Preliminary Official Statement dated February 1, 2012, by the Underwriter and the actions of the University, including the certification by the Bursar deeming the Preliminary Official Statement final pursuant to Rule 15c2-12 of the Securities Exchange Commission adopted pursuant to the Securities Exchange Act of 1934, as amended (*"Rule 15c2-12"*) in connection with the offering of the Series 2012A Bonds, are hereby acknowledged, approved and ratified.

In order to comply with subsection (b)(5) of Rule 15c2-12, the Underwriter has provided in the Bond Purchase Agreement that it is a condition to delivery of the Series 2012A Bonds that the University shall have executed and delivered the Continuing Disclosure Undertaking. The Continuing Disclosure Undertaking is hereby ratified and approved in all respects, and the Bursar is hereby authorized to execute and deliver the Continuing Disclosure Undertaking in substantially the form set forth in APPENDIX E to the Official Statement.

The Bursar of the University, the President of the Board (the "*President*"), and the Secretary of the Board (the "*Secretary*") are, and each of them is, hereby authorized to do or perform all such acts as may be necessary or advisable to comply with the Bond Purchase Agreement and to carry the same into effect.

Section 206. Execution and Delivery of Series 2012A Bonds. The Series 2012A Bonds shall be manually executed on behalf of the University by the President of the Board and the Bursar of the University, and attested by the Secretary of the Board. The Series 2012A Bonds shall be delivered to the Underwriter upon compliance with the provisions of Section 3.2 of the Resolution.

Section 207. Redemption of Series 2012A Bonds. (a) On ________ or on any date thereafter, at the election of the University, the Series 2012A Bonds maturing on or after April 1, _____, shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2012A Bonds to be redeemed, plus accrued interest to the redemption date.

(b) The Series 2012A Bonds maturing on April 1, ______ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a redemption price equal to 100% of the principal amount of the Series 2012A Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:

APRIL 1 OF THE YEAR	MANDATORY REDEMPTION AMOUNT
	$
*	

*Stated maturity.

If less than all of a Series 2012A Bond that is subject to mandatory sinking fund redemption is to be redeemed pursuant to optional redemption, the redemption price shall be applied to such mandatory sinking fund installments as the University shall direct.

Section 208. Form of Series 2012A Bond. The Series 2012A Bonds are hereby authorized to be issued in the form set forth in *Exhibit A* attached hereto and incorporated herein by this reference.

Section 209. Submittal to Attorney General. There shall promptly be submitted to the Attorney General of the State of Idaho by the Secretary of the Board, a certified copy of this Supplemental Resolution, together with the proceedings relating to their adoption, in order that the Attorney General may examine and pass upon the validity of the Series 2012A Bonds and the regularity of such proceedings, in the manner and with the effect specified in the Act.

Section 210. Book-Entry-Only System. (a) The Series 2012A Bonds shall initially be registered on the Bond Register in the name of Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Series 2012A Bonds, except in the event that the Trustee issues Replacement Bonds, as provided below. It is anticipated that during the term of the Series 2012A Bonds, the Securities Depository will make book-entry transfers among the DTC Participants and receive and transmit payments of principal of and interest on the Series 2012A Bonds until and unless the Trustee authenticates and delivers Replacement Bonds to the Beneficial Owners as described below. So long as any of the Series 2012A Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and interest on the Series 2012A Bonds and all notices with respect to the Series 2012A Bonds shall be made and given in the manner provided in the Representation Letter.

(b) If the Securities Depository determines to discontinue providing its services with respect to the Series 2012A Bonds, and the University cannot obtain a qualified successor Securities Depository, or if the University determines not to use the book-entry system of the Securities Depository, the University shall execute, and the Trustee shall authenticate and deliver, one or more Series 2012A Bond certificates (the *"Replacement Bonds"*) to the DTC Participants in principal amounts and maturities corresponding to the identifiable Beneficial Owners' interests in the Series 2012A Bonds, with such adjustments as the Trustee may find necessary or appropriate as to accrued interest and previous calls for redemption, if any. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Series 2012A Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds.

(c) With respect to Series 2012A Bonds registered in the name of Cede & Co. as nominee for the Securities Depository, neither the University nor the Trustee shall have any responsibility to any Beneficial Owner with respect to:

(i) the sending of transaction statements, or maintenance, supervision, or review of records of the Securities Depository;

(ii) the accuracy of the records of the Securities Depository or Cede & Co. with respect to any ownership interest in the Series 2012A Bonds;

(iii) the payment to any Beneficial Owner, or any person other than the Securities Depository, of any amount with respect to principal of, interest on, or redemption premium, if any, on the Series 2012A Bonds; or

(iv) any consent given or other action taken by the Securities Depository or Cede & Co. as owner of the Series 2012A Bonds.

(d) The Representation Letter previously executed and delivered by the University to DTC is for the purpose of effectuating the initial Book-Entry System for the Series 2012A Bonds through DTC as Securities Depository and shall not be deemed to amend, supersede or supplement the terms of this Bond Resolution, which are intended to be complete without reference to the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of the Resolution, the terms of the Resolution shall control. The Securities Depository may exercise the rights of a Registered Owner hereunder only in accordance with the terms hereof applicable to the exercise of such rights.

Section 211. Successor Securities Depository. In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation, the Trustee, with the written consent of the University, may appoint a successor Securities Depository, provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable state or federal statute or regulation. Upon the appointment of a successor Securities Depository, the former Securities Depository shall surrender the Series 2012A Bonds to the Trustee for transfer to the successor Securities Depository, and the Trustee shall cause the authentication and delivery of Series 2012A Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

ARTICLE III

CREATION OF ACCOUNTS, APPLICATION OF BOND PROCEEDS

Section 301. Creation of Accounts. There is hereby established in the Construction Fund a Project Account designated as "Series 2012A Project Account," to be held by the University.

Section 302. Application of Proceeds of Series 2012A Bonds. (a) The proceeds of the sale of the Series 2012A Bonds (net of a $________ fee paid to the Underwriter for its services with respect to the Series 2012A Bonds) shall be deposited as follows:

(i) $_________ into the Series 2012A Project Account for the payment of costs of issuance of the Series 2012A Bonds and the Costs of Acquisition and Construction of the Series 2012A Project; and

(ii) $__________ into the Escrow Account to refund the Refunded Bonds.

Before any payment is made from the Series 2012A Project Account, the University shall execute a Written Certificate as required by Section 5.4(E) or 5.4(F), as applicable, of the Resolution.

ARTICLE IV

REFUNDING

Section 401. Refunding of Refunded Bonds. The Refunded Bonds shall be refunded with a portion of the proceeds of the Series 2012A Bonds, as provided in Section 302 hereof and in the Escrow Agreement. The Series 2003 Refunded Bonds are irrevocably called for redemption on April 1, 2013. The Series 2004A Refunded Bonds are irrevocably called for redemption on April 1, 2014. Notice of defeasance of the Series 2001 Refunded Bonds shall be given as provided in the Escrow Agreement and the applicable bond resolutions.

Section 402. Approval of Escrow Agreement. The Escrow Agreement between the University and the Escrow Agent, in substantially the form presented to the Board at the time of adoption of this Supplemental Resolution, is hereby authorized and approved, and the Bursar is hereby authorized, empowered and directed to execute and deliver the Escrow Agreement on behalf of the Board and the University, with such changes to the Escrow Agreement from the form attached hereto as are approved by the Bursar, her execution thereof to constitute conclusive evidence of such approval. The Bursar is hereby authorized to perform all such acts as may be necessary or advisable to comply with the Escrow Agreement or to carry out or give effect to the Escrow Agreement.

ARTICLE V

MISCELLANEOUS

Section 501. Other Actions With Respect to the Series 2012A Bonds. The officers and employees of the University shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with the Act to carry out the issuance of the Series 2012A Bonds, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the sale and delivery of the Series 2012A Bonds. All actions heretofore taken in connection therewith are hereby ratified, approved and consummated. If the President of the Board or the Bursar shall be unavailable to execute the Series 2012A Bonds or the other documents that they are hereby authorized to execute, the same may be executed by the President, the Bursar, or any Vice President of the Board or the University.

Section 502. Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in the Resolution should be contrary to law, such covenant or covenants, such agreement or agreements, or such portions thereof shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the validity of the Resolution, this Supplemental Resolution or the Series 2012A Bonds, but the holders of the Series 2012A Bonds shall retain all the rights and benefits accorded to them under the Act or any other applicable provisions of law.

Section 503. Conflicting Resolutions; Effective Date. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

ADOPTED AND APPROVED this 16th day of February, 2012.

BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY

____
President

ATTEST:

____
Secretary

[SEAL]

EXHIBIT A

[FORM OF SERIES 2012A BONDS]

R-____ $_______________

UNITED STATES OF AMERICA
STATE OF IDAHO

BOISE STATE UNIVERSITY
GENERAL REVENUE PROJECT AND REFUNDING BONDS,
SERIES 2012A

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
____%	April 1, ____	_________, 2012	________

Registered Owner:

Principal Amount:--------------------------------------- DOLLARS---

KNOW ALL MEN BY THESE PRESENTS that Boise State University, a body politic and corporate and an institution of higher education of the State of Idaho (the *"University"*), for value received, hereby promises to pay, from the Bond Fund (as defined in the hereinafter defined Resolution), to the registered owner identified above, or registered assigns, on the maturity date specified above, the principal sum indicated above, and to pay interest thereon from the Bond Fund from the dated date hereof, or the most recent date to which interest has been paid or duly provided for, at the rate per annum specified above, payable on October 1, 2012, and semiannually on each April 1 and October 1 thereafter, until the date of maturity or prior redemption of this Bond. Interest shall be calculated on the basis of a 360-day year and twelve 30-day months.

THIS BOND IS AN OBLIGATION OF THE UNIVERSITY PAYABLE SOLELY IN ACCORDANCE WITH THE TERMS HEREOF AND IS NOT AN OBLIGATION, GENERAL, SPECIAL, OR OTHERWISE OF THE STATE OF IDAHO, DOES NOT CONSTITUTE A DEBT, LEGAL, MORAL, OR OTHERWISE, OF THE STATE OF IDAHO, AND IS NOT ENFORCEABLE AGAINST THE STATE, NOR SHALL PAYMENT HEREOF BE ENFORCEABLE OUT OF ANY FUNDS OF THE UNIVERSITY OTHER THAN THE REVENUES, FEES, AND CHARGES PLEDGED THERETO IN THE RESOLUTION. The principal of, interest on, and redemption price of the Bonds is payable solely from Pledged Revenues, which consist principally of revenues from certain student fees and enterprises, as more particularly set forth in the Resolution. Pursuant to the Resolution, sufficient revenues have been pledged and will be set aside into the Bond Fund to provide for the prompt payment of the principal of, interest on, and redemption price of the Bonds. For a more particular description of the Bond

Fund, the revenues to be deposited therein, and the nature and extent of the security for the Bonds, reference is made to the provisions of the Resolution.

Principal of and interest on this Bond are payable in lawful money of the United States of America to the registered owner hereof whose name and address shall appear on the registration books of the University (the "*Bond Register*") maintained by U.S. Bank National Association, Salt Lake City, Utah (the "*Trustee*"). Interest shall be paid to the registered owner whose name appears on the Bond Register on the 15th day of the calendar month next preceding the interest payment date, at the address appearing on the Bond Register, and shall be paid to such registered owner on the due date, by check or draft of the Trustee or by wire or other transfer, at the address appearing on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Principal shall be paid to the registered owner upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee on or after the date of maturity or prior redemption.

This Bond is one of the General Revenue Project and Refunding Bonds, Series 2012A (the "*Series 2012A Bonds*") of the University issued in the aggregate principal amount of $_______ for the purpose of financing a portion of the cost of acquisition and construction of a football office and training facility and related facilities, refunding certain outstanding Bonds of the University, and paying costs of issuance of the Series 2012A Bonds. The Series 2012A Bonds are issued pursuant to and in full compliance with the constitution and statutes of the State of Idaho, particularly Title 33, Chapter 38, Idaho Code, Title 57, Chapter 5, Idaho Code, and a Resolution Providing for the Issuance of General Revenue Bonds, duly adopted and authorized by the Board of Trustees of the University (the "*Board*") on September 17, 1992, as previously supplemented and amended, and as further supplemented by a Supplemental Resolution adopted by the Board on February 16, 2012, authorizing the issuance of the Series 2012A Bonds (collectively, the "*Resolution*").

On ________ or on any date thereafter, at the election of the University, the Series 2012A Bonds maturing on or after April 1, _____, shall be subject to redemption, in whole or in part, as selected by the University, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a price of 100% of the principal amount of the Series 2012A Bonds to be redeemed, plus accrued interest to the redemption date.

The Series 2012A Bonds maturing on April 1, ______ shall be subject to redemption in part by operation of sinking fund installments, upon notice as provided in Section 4.3(A) of the Resolution and this section, at a redemption price equal to 100% of the principal amount of the Series 2012A Bonds to be redeemed, together with accrued interest to the date of redemption, on the dates and in the Mandatory Redemption Amounts as follows:

April 1 of the Year	Mandatory Redemption Amount
	$
*	

* Stated maturity.

Notice of redemption shall be given by mailing notice to the registered owner thereof not less than 35 days nor more than 60 days prior to the redemption date at the address shown on the Bond Register or at such other address as may be furnished in writing by such registered owner to the Trustee. Provided that funds for the redemption price, together with interest to the redemption date, are on deposit at the place of payment at such time, the Series 2012A Bonds shall cease to accrue interest on the specified redemption date and shall not be deemed to be outstanding as of such redemption date.

The Series 2012A Bonds are initially issued in the form of a separate certificated, fully-registered Bond for each maturity and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (*"DTC"*).

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE UNIVERSITY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Upon any partial redemption of this Bond, Cede & Co., in its discretion, may request the Trustee to authenticate a new Bond or shall make an appropriate notation with respect to this Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case this Bond must be presented to the Trustee prior to payment.

The Series 2012A Bonds shall not be transferable or exchangeable except as set forth in the Resolution. This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee. Upon such transfer, a new Series 2012A Bond, of the same denomination, maturity, and interest rate will be issued to the transferee in exchange therefor.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been manually signed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions, and things required by the Constitution and statutes of the State of Idaho to exist, to have happened, been done, and performed precedent to and in the issuance of this Bond have happened, been done, and performed, and that the issuance of this Bond and the other Series 2012A Bonds of this issue does not violate any constitutional, statutory, or other limitation upon the amount of bonded indebtedness that the University may incur.

IN WITNESS WHEREOF, the Board has caused this Bond to be executed by the President of the Board and countersigned and attested by the Bursar of the University, and the official seal of the University to be imprinted hereon, as of this ___ day of February, 2012.

BOISE STATE UNIVERSITY

By_____________________________________
President,
Board of Trustees

By_____________________________________
Bursar

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Boise State University General Revenue Project and Refunding Bonds, Series 2012A, described in the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By_____________________________________
Authorized Signature

Date of Authentication: ________________.

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face the within Bond shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_______ Custodian _______
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfers to Minors Act of ________________________ (State)

Additional abbreviations may also be used though not in the list above.

For value received ______________________________________ hereby sells, assigns and transfers unto

INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of BOISE STATE UNIVERSITY, and hereby irrevocably constitutes and appoints ______________________________ Attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________________ Signature: ___________________________

Signature Guaranteed: ____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

VALIDATION CERTIFICATE

I hereby certify that I have examined a certified copy of the record of proceedings taken preliminary to and in the issuance of the within bond; that such proceedings and such bond conform to and show lawful authority for the issuance thereof in accordance with the provisions of Title 33, Chapter 38, Idaho Code, as amended. Such bond has been issued in accordance with the Constitution and laws of the State of Idaho and shall in any suit, action or proceeding involving its validity be conclusively deemed to be fully authorized by Title 33, Chapter 38, Idaho Code, and to have been issued, sold, executed, and delivered in conformity with the Constitution and laws of the State of Idaho and to be valid and binding and enforceable in accordance with its terms, and such bond is incontestable for any cause.

____
Hon. Lawrence Wasden
Attorney General

THIS PAGE INTENTIONALLY LEFT BLANK

BOISE STATE UNIVERSITY
$__________
GENERAL REVENUE PROJECT AND REFUNDING BONDS,
SERIES 2012A

BOND PURCHASE AGREEMENT

February 16, 2012

Boise State University
Attn: Stacy Pearson, Vice President
for Finance and Administration
1910 University Drive
Boise, Idaho 83725

Ladies and Gentlemen:

The undersigned, Barclays Capital Inc., as underwriter (the *"Underwriter"*), hereby offers to enter into this Bond Purchase Agreement (the *"Purchase Agreement"*) with Boise State University (the *"University"*), which, upon the acceptance by the University of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon the University and the Underwriter.

This offer is made subject to your acceptance and approval on or before 5:00 p.m. Mountain Time on the date hereof, and until so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the University by the Underwriter at any time prior to the execution and acceptance hereof by the University. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter defined Resolution.

ARTICLE I

Section 1.1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein set forth, the Underwriter hereby agrees to purchase from the University, and the University hereby agrees to sell to the Underwriter, all, but not less than all, of the University's $__________ General Revenue Project and Refunding Bonds, Series 2012A (the *"Bonds"*), for a purchase price of $_________, representing the principal amount of the Bonds, plus original issue premium of $__________ (the *"Purchase Price"*). In consideration for its services, the University agrees to pay to the Underwriter a fee of $__________ (the *"Underwriter's Fee"*).

Section 1.2. The Bonds. The Bonds are being issued for the purpose of financing a portion of the cost of acquisition and construction of a football office and training facility, refunding certain of the University's outstanding bonds (the *"Refunded Bonds"*), and paying costs of issuance of the Bonds.

The Bonds shall be dated as of their date of delivery, shall bear interest at the rates, mature in the amounts and on the dates as set forth in SCHEDULE I hereto, and shall be subject to redemption prior to maturity as set forth in the Supplemental Resolution (defined below). The Bonds shall be issued pursuant to the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the *"Master Resolution"*), and as further supplemented by a Supplemental Resolution adopted February 15, 2012 (the *"Supplemental Resolution"* and, together with the Master Resolution, the *"Resolution"*) by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the *"Board"*), substantially in the form heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon between us.

The Bonds will be payable from and secured by a pledge of certain revenues of the University (as defined in the Resolution, the *"Pledged Revenues"*), on a parity with all bonds now outstanding under the Resolution and any additional bonds hereafter issued under the Resolution.

Section 1.3. Official Statement; Continuing Disclosure. (a) The Bonds shall be offered pursuant to an Official Statement of even date herewith (which, together with the cover page and all appendices thereto, and with such changes therein and supplements thereto which are consented to in writing by the Underwriter is herein called the *"Official Statement"*).

(b) The University has previously deemed the Official Statement "final" as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (*"Rule 15c2-12"*), and the University hereby authorizes the use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. The University agrees to provide to the Underwriter, on or prior to the Closing Date, and in any event not later than seven business days after the date hereof, sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(c) If at any time prior to 25 days after the "end of the underwriting period" (as defined below), any event shall occur, or any preexisting fact shall become known, of which the University has knowledge which might or would cause the Official Statement as then supplemented or amended to contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the University, at its expense, shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the University will (i) supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and (ii) provide the Underwriter with such certificates and legal opinions as shall be requested by the Underwriter in order to evidence the accuracy and completeness of the Official Statement as so supplemented or amended. If the Official Statement is so supplemented or amended prior to the Closing (defined below), such approval by the Underwriter of a supplement or amendment to the Official Statement shall not preclude the Underwriter from thereafter terminating this Purchase Agreement, and if the Official Statement is so amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Agreement by written notification delivered to the University by the Underwriter at any time prior to the Closing if, in the judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

(d) For purposes of this Purchase Agreement, the "end of the underwriting period" shall mean the day of the Closing, or, if the University has been notified in writing by the Underwriter on or prior to the date of the Closing that the "end of the underwriting period" within the meaning of Rule 15c2-12 will not occur on the date of the Closing, such later date on which the "end of the underwriting period" within such meaning has occurred. In the event that the University has been given notice pursuant to the preceding sentence that the "end of the underwriting period" will not occur on the date of the Closing, the Underwriter agrees to notify the University in writing of the date it does occur as soon as practicable following the "end of the underwriting period" for all purposes of Rule 15c2-12; *provided, however*, that if the Underwriter has not otherwise so notified the University of the "end of the underwriting period" by the 90th day after the Closing, then the "end of the underwriting period" shall be deemed to occur on such 90th day unless otherwise agreed to by the University.

(e) In order to enable the Underwriter to comply with the requirements of paragraph (b)(5) of Rule 15c2-12 in connection with the offering of the Bonds, the University covenants and agrees with the Underwriter that it will execute and deliver a Continuing Disclosure Undertaking with respect to the Bonds (the "*Continuing Disclosure Undertaking*" and, collectively with this Purchase Contract, the hereinafter defined Escrow Agreement, and the Resolution, the "*Bond Documents*") in substantially the form attached as APPENDIX E to the Preliminary Official Statement dated February 1, 2012 (the "*Preliminary Official Statement*"), on or before the Closing Date.

Section 1.4. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices set forth on the inside cover page of the Official Statement. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Bonds and offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth on the inside cover page of the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market and (b) to discontinue such stabilizing, if commenced, at any time without prior notice.

Section 1.5. Closing. The "*Closing Date*" shall be March 7, 2012, or such other date as the University and the Underwriter shall mutually agree upon. The delivery of and payment for the Bonds and the other actions described in Sections 1.5 and 3.1 of this Purchase Agreement are referred to herein as the *"Closing."* The Closing shall take place at the offices of Chapman and Cutler LLP in Salt Lake City, Utah. On the Closing Date, the University will deliver the Bonds or cause the Bonds to be delivered to or for the account of The Depository Trust Company (*"DTC"*), duly executed and authenticated. The University will also deliver to the Underwriter at the Closing the other documents described below and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1.1 hereof in federal funds payable to the order of the University. The Bonds will be registered in the name of Cede & Co., as nominee of DTC.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE UNIVERSITY

To induce the Underwriter to enter into this Purchase Agreement, the University represents and warrants to the Underwriter as follows:

Section 2.1. The University has been duly organized and is validly existing under the Constitution and laws of the State of Idaho and has all power and authority to consummate the transactions contemplated by this Purchase Agreement and the Official Statement, including the execution, delivery and approval of all documents and agreements referred to herein or therein.

Section 2.2. The execution and delivery of the Bonds and the Bond Documents, the adoption of the Resolution, and compliance with the provisions on the University's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or to which the University is or to which any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the University to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Resolution.

Section 2.3. (a) By all necessary official action of the University taken prior to or concurrently with the acceptance hereof, the University has duly authorized (i) the adoption of the Resolution and the issuance and sale of the Bonds, (ii) the execution and delivery of, and the performance by the University of the obligations on its part, contained in the Bonds and the Bond Documents, (iii) the distribution and use of the Preliminary Official Statement and the execution, distribution and use of the Official Statement for use by the Underwriter in connection with the public offering of the Bonds, and (iv) the consummation by it of all other transactions described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the University in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(b) This Purchase Agreement has been duly authorized, executed and delivered, the Resolution has been duly adopted, and this Purchase Agreement and the Resolution constitute the legal, valid and binding obligations of the University, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and the Continuing Disclosure Undertaking, when duly executed and delivered, will constitute the legal, valid and binding obligation of the University, enforceable in accordance with its terms.

(c) The Bonds, when issued, delivered and paid for in accordance with the Resolution and this Purchase Agreement, will have been duly authorized, executed, issued and delivered by the University and will constitute the valid and binding obligations of the University, enforceable against the University in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Resolution will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Resolution.

(d) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Bond Documents, the issuance of the Bonds or the due performance by the University of its obligations under the Bond Documents and the Bonds, have been duly obtained.

Section 2.4. Except as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the University, threatened against the University: (i) affecting the existence of the University or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Bond Documents, (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (vi) contesting the powers of the University or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Bond Documents, nor, to the best knowledge of the University, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents.

Section 2.5. The University is not in breach of or in default under any existing constitutional provision, law, court or administrative regulation, judgment, decree or order, or any loan agreement, indenture, bond, note, resolution mortgage, lease, sublease, agreement, or other instrument to which the University is a party or by which it or its property is or may be bound, and no event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case in any manner or to such extent as could have a material adverse effect on the financial condition of the University or the transactions contemplated by this Purchase Agreement and the Official Statement, or would have an adverse effect on the validity or enforceability in accordance with their respective terms of the Bonds or the Bond Documents, or would in any way adversely affect the existence or powers of the University, or would in any way adversely affect the tax-exempt status of interest on the Bonds.

Section 2.6. The Bonds and the Resolution conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions, "THE SERIES 2012A BONDS" and "SECURITY FOR THE SERIES 2012A BONDS"; the proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the caption, "ESTIMATED SOURCES AND USES OF FUNDS." The University has the legal authority to apply, and will apply or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Section 2.7 The Preliminary Official Statement, as supplemented and amended through the date hereof, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the time of the University's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (c) of Section 1.3 of this Purchase Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to paragraph (c) of Section 1.3 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto to and including the date that is 25 days after the "end of the underwriting period," the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

Section 2.8. The University will furnish such information and execute such instruments and take such action in cooperation with the Underwriter, at no expense to the University, as the Underwriter may reasonably request (a) to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (b) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the University will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the University of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

Section 2.9. The University has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

Section 2.10. (a) The financial statements of, and other financial information regarding, the University in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the University as of the dates and for the periods therein set forth. The financial statements of the University have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the University's audited financial statements included in the Preliminary Official Statement and in the Official Statement. Except as described in the Preliminary Official Statement, since June 30, 2011, there has been no material adverse change in the condition, financial or otherwise, of the University from that set forth in the audited financial statements as of and for the period ended that date; and except as described in the Preliminary Official Statement, the University, since June 30, 2011, has not incurred any material liabilities, directly or indirectly, except in the ordinary course of the University's operations.

(b) Prior to the Closing, the University will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the University. The University will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriter.

Section 2.11. Each representation, warranty or agreement stated in any certificate signed by any officer of the University and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty or agreement by the University upon which the Underwriter shall be entitled to rely.

ARTICLE III

CLOSING CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties herein and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and warranties of the University contained herein shall be true, complete and correct in all material respects at the date hereof and on the Closing Date, as if made on the Closing Date. At the time of Closing (i) the Official Statement, the Resolution and this Purchase Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (ii) the proceeds of sale of the Bonds shall be paid to the Trustee of the Bonds for deposit or use as described in the Official Statement. On the Closing Date, no "Event of Default" shall have occurred or be existing under the Resolution nor shall any event have occurred which, with the passage of time or the giving of notice, or both, shall constitute an Event of Default under the Resolution, nor shall the University be in default in the payment of principal of or interest on any of its obligations for borrowed money.

(b) The Underwriter shall have the right to terminate this Purchase Agreement by written notification delivered to the University by the Underwriter, if at any time on or prior to the Closing Date:

(i) the Official Statement shall have been amended, modified or supplemented without the consent of the Underwriter;

(ii) any event shall occur, or any information shall become known, which makes untrue any statement of a material fact in the Official Statement or makes an omission of a fact that should be included in the Official Statement in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading,

(iii) any material adverse change in the affairs or financial condition of the University shall have occurred since the date of this Purchase Agreement (except for changes which the Official Statement discloses are expected to occur) that, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of Idaho (the "*State*"), or a decision by any court of competent jurisdiction within the State shall be rendered which materially adversely affects the market price of the Bonds;

(v) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, including the

Securities Act of 1933, as amended and as then in effect (the *"Securities Act"*), or that the Resolution needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect (the *"Trust Indenture Act"*);

(vi) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that the Bonds or obligations of the general character of the Bonds are not exempt from registration under the Securities Act, or that the Resolution is not exempt from qualification under the Trust Indenture Act;

(vii) legislation shall have been passed by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or the State Legislature, or a decision shall have been rendered by a court of the United States or of the State or by the Tax Court of the United States, or a ruling or an official statement (including a press release) or proposal shall have been made or a regulation shall have been proposed or made by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the University pursuant to the Resolution, or with respect to federal or State taxation of interest received on securities of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal or State tax consequences of receipt of interest on securities of the general character of the Bonds in the hands of the owners thereof, which in the opinion of the Underwriter would adversely affect the market price of the Bonds or the ability to enforce contracts for the sale of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated in connection herewith, or any other action or events shall have occurred which, in the judgment of the Underwriter, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(viii) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, which in the reasonable judgment of the Underwriter, materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(ix) a general banking moratorium shall have been established by federal, State or New York authorities, or there shall have occurred a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter), or a disruption in securities settlement, payment or clearance services shall have occurred, which in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(x) there shall have occurred any new material outbreak of hostilities (including, without limitation, an act of terrorism) or new material other national or international calamity or crisis, or any material adverse change in the financial, political or economic conditions affecting the United States, including, but not limited to, an escalation of hostilities that existed prior to the date hereof, the effect of which would, in the reasonable opinion of the Underwriter, affect materially or adversely the ability of the Underwriter to market the Bonds;

(xi) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Purchase Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the University's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the University (including any rating to be accorded the Bonds); or

(xii) any action, suit or proceeding described in Section 2.4 or 3.1(c)(4) shall have been commenced which, in the reasonable judgment of the Underwriter, materially adversely affects the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.

(c) At or prior to the Closing for the Bonds, the Underwriter shall receive the following documents:

(1) The approving opinion of Chapman and Cutler LLP (*"Bond Counsel"*), dated the date of Closing, in substantially the form included as APPENDIX F to the Official Statement;

(2) (A) The opinion of Chapman and Cutler LLP, as Disclosure Counsel, dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit A* and (B) the opinion of Hawley Troxel Ennis & Hawley LLP (*"Underwriter's Counsel"*), dated the date of Closing and addressed to the Underwriter, in substantially the form attached hereto as *Exhibit C*;

(3) The opinion of Kevin D. Satterlee, counsel to the University, in substantially the form attached hereto as *Exhibit B*;

(4) The University's certificate or certificates signed by its Vice-President for Finance and Administration dated the date of the Closing to the effect that (A) no litigation is pending or, to its knowledge, threatened: (i) to restrain or enjoin the collection of Pledge Revenues under the Resolution; (ii) in any way contesting or affecting any authority for the issuance of the Bonds, the validity of the Bonds, the Resolution, this Purchase Agreement, the exemption from federal income taxation of interest on the Bonds; or (iii) in any way contesting the powers or operation of the University; (B) to the best of her knowledge, the descriptions and information contained in the Preliminary Official Statement and the Official Statement relating to the University and its operational and financial and other affairs and the application of the proceeds of sale of the Bonds are correct in all material respects, as of their respective dates and as of the date of Closing; (C) such descriptions and information, as of the respective dates of the Preliminary Official Statement and Official Statement, did not, and, as of the date of Closing, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (D) at the time of the Closing, no default or event of default has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under the Resolution, this Purchase Agreement or any other material agreement or material instrument to which the University is a party or by which it is or may be bound or to which any of its property or other assets is or may be subject; (E) the Resolution of the University authorizing or approving the execution of this Purchase Agreement, the Continuing Disclosure Undertaking, the Official Statement, and the form of the Bonds has been duly adopted by the University and has not been modified, amended or repealed; (F) no event affecting the University has occurred since the respective dates of the Preliminary Official Statement and Official Statement that either makes untrue, as of the date of Closing, any statement or information relating to the same and contained in the Preliminary Official Statement or Official Statement or that should be disclosed therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading; and (G) the representations of the University herein are true and correct in all material respects as of the date of Closing;

(5) A copy of the transcript of all proceedings of the University, including the Supplemental Resolution, relating to the authorization and issuance of the Bonds, certified by appropriate officials of the University;

(6) A certificate of the University relating to matters affecting the tax-exempt status of interest on the Bonds, including the use of proceeds of sale of the Bonds and matters relating to arbitrage rebate pursuant to Section 148 of

the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(7) Satisfactory evidence that the Bonds are rated "A1" and "A+" by Moody's Investors Service, Inc. and Standard & Poor's, respectively;

(8) Copies of the Official Statement related to the Bonds executed on behalf of the University;

(9) An executed counterpart of the Continuing Disclosure Undertaking;

(10) A specimen Bond;

(11) An executed copy of Internal Revenue Service Form 8038-G and evidence of filing thereof;

(12) An executed counterpart of the Escrow Agreement between the University and U.S. Bank National Association with respect to the refunding of the Refunded Bonds;

(13) Escrow verification report issued by __________ (the *"Verifier"*); and

(14) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request;

If the University shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the University shall be under further obligation hereunder, except as further set forth in Article IV hereof. However, the Underwriter may, in its sole discretion, waive one or more of the conditions imposed by this Purchase Agreement and proceed with the Closing. Acceptance of the Bonds and payment therefor by the Underwriter shall be deemed a waiver of noncompliance with any of the conditions herein.

ARTICLE IV

FEES AND EXPENSES

All expenses and costs of the University incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, including the costs of printing of the Bonds; advertising costs; the costs of posting, printing, duplicating and mailing the Preliminary Official Statement and the Official Statement; the fees of consultants, the rating agencies, and the Verifier; the initial fee of the Trustee in connection with the issuance of the Bonds; and the fees and expenses of Bond Counsel, Disclosure Counsel, and counsel for the University, shall be paid out of funds made available by the University. All out-of-pocket expenses of the Underwriter (except for any expenses of the University advanced by the Underwriter for which the Underwriter will be reimbursed by the University), including advertising expenses in connection with the public offering of the Bonds, travel and other expenses, and the fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter. To facilitate the Closing, the University hereby authorizes the Underwriter to net from the Purchase Price of the Bonds the Underwriter's Fee and reduce the Purchase Price payable to the University by an equal amount.

ARTICLE V

GENERAL PROVISIONS

Section 5.1. Notices. Any notice or other communication to be given to the University under this Purchase Agreement may be given by delivering the same in writing to the University's address set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Barclays Capital Inc., 701 Fifth Avenue, Suite 7101, Seattle, Washington 98104.

Section 5.2. Entire Agreement. This Purchase Agreement, when executed by the University, shall constitute the entire agreement between the University and the Underwriter, and is made solely for the benefit of the University and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof.

Section 5.3. No Recourse. No recourse shall be had for any claim based on this Purchase Agreement, or any Resolution, certificate, document or instrument delivered pursuant hereto, against any member, officer or employee, past, present or future, of the University or of any successor body of the University.

Section 5.4. Execution in Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which, taken together, shall be one and the same instrument, and any parties hereto may execute this Purchase Agreement by signing any such counterpart.

Section 5.5. Severability. The invalidity or unenforceability of any provision hereof as to any one or more jurisdictions shall not affect the validity or enforceability of the balance of this Purchase Agreement as to such jurisdiction or jurisdictions, or affect in any way such validity or enforceability as to any other jurisdiction.

Section 5.6. Waiver or Modification. No waiver or modification of any one or more of the terms and conditions of this Purchase Agreement shall be valid unless in writing and signed by the party or parties making such waiver or agreeing to such modification.

Section 5.7. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

Section 5.8. Effective Date. This Purchase Agreement shall become effective upon its execution by the Underwriter and the acceptance and approval hereof by the University.

BARCLAYS CAPITAL INC.

By______________________________________
Director

ACCEPTED:

BOISE STATE UNIVERSITY

By______________________________________
Vice President for Finance and Administration

SCHEDULE I

[ATTACH FINAL NUMBERS FROM UNDERWRITER]

EXHIBIT A

OPINION OF DISCLOSURE COUNSEL

[TO BE DATE CLOSING DATE]

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: $__________
Boise State University
General Revenue Project and Refunding Bonds,
Series 2012A

Ladies and Gentlemen:

We have acted as disclosure counsel in connection with the purchase by Barclays Capital Inc. (the "*Underwriter*") of $__________ General Revenue Project and Refunding Bonds, Series 2012A (the "*Bonds*") issued on this date by Boise State University (the "*University*"). The Bonds are being issued pursuant to the terms of the Resolution Providing for the Issuance of General Revenue Bonds, adopted September 17, 1992, as previously supplemented and amended (the "*Master Resolution*"), and as further supplemented by a Supplemental Resolution adopted February 15, 2012 (the "*Supplemental Resolution*" and, collectively with the Master Resolution, the "*Resolution*"). Capitalized terms used herein without definition shall have the meanings specified in the Preliminary Official Statement dated February 1, 2012, relating to the Bonds (the "*Preliminary Official Statement*") and the Official Statement dated February 15, 2012, relating to the Bonds (the "*Official Statement*").

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

We have rendered legal advice and assistance to the University as to the requirements of Rule 15c2-12 prescribed under the Securities Exchange Act of 1934, as amended (the "*Rule*"), in connection with the preparation of its Continuing Disclosure Undertaking dated as of the date hereof (the "*Undertaking*") for purposes of the Rule. Based upon our examination of the Undertaking, the Rule and such other documents and matters of law as we have considered necessary, we are of the opinion that, under existing law, the Undertaking complies in all material respects with the applicable requirements of the Rule; *provided, however,* no view is expressed regarding the items comprising Annual Financial Information (as defined in the Undertaking).

We have rendered assistance to the University in connection with, and have participated in the preparation of, the Preliminary Official Statement and the Official Statement and certain other matters related to the subject financing. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects and a limited review of certain documents, opinions and certificates of officers of the University and other appropriate persons. We also participated in telephone conferences with your representatives and other persons involved in the preparation of information for the Preliminary Official Statement and the Official Statement, during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Preliminary Official Statement or Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein, except that in our capacity as Bond Counsel in connection with the issuance of the Bonds, we have reviewed the information contained in the Preliminary Official Statement and Official Statement under the captions, "INTRODUCTION" (apart from the information contained under the caption, "–Boise State University"), "THE SERIES 2012A BONDS (apart from the information relating to The Depository Trust Company and its book-entry only system), "SECURITY FOR THE SERIES 2012A BONDS" (apart from the information contained under the captions, "–Pledged Revenues" and "–Historical Revenues Available for Debt Service"), and "TAX MATTERS," and in APPENDICES C, D, E and F, solely to determine whether such information accurately summarizes the matters described therein. Subject to the foregoing, the summary descriptions in the Preliminary Official Statement and the Official Statement under such captions and in such appendices, as of the respective dates of the Preliminary Official Statement and Official Statement and as of the date hereof, insofar as such descriptions purport to describe or summarize the matters to which such descriptions relate, are accurate summaries of such provisions in all material respects. While we are not passing upon, and do not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, except as described in this paragraph, based upon our limited review of documents and participation in conferences as aforesaid, without independent verification, no facts have come to our attention which lead us to believe that the Preliminary Official Statement or the Official Statement (apart from (i) the information relating to The Depository Trust Company and its book-entry only system and (ii) the financial statements or other financial, operating, statistical or accounting data contained therein, as to all of which we do not express any opinion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule) necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This letter is solely for the benefit of the Underwriter. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

EXHIBIT B

OPINION OF COUNSEL TO BOISE STATE UNIVERSITY

[TO BE DATE CLOSING DATE]

Boise State University
1910 University Drive
Boise, Idaho 83725

Chapman and Cutler LLP
201 South Main Street, Suite 2000
Salt Lake City, Utah 84111

Barclays Capital Inc.
701 Fifth Avenue, Suite 7101
Seattle, Washington 98104-7016

Re: $__________
Boise State University
General Revenue Project and Refunding Bonds,
Series 2012A

Ladies and Gentlemen:

As counsel to Boise State University (the "*University*"), I have reviewed certain documents in connection with the issuance and sale by the University of its $__________ General Revenue Project and Refunding Bonds, Series 2012A (the "*Bonds*"), including the Resolution Providing for the Issuance of General Revenue Bonds, adopted on September 17, 1992, by the State Board of Education and Board of Regents of the University of Idaho, acting in its capacity as the Board of Trustees of the University (the "*Board*"), as previously supplemented and amended (the "*Master Resolution*"), and as further supplemented and amended by the Supplemental Resolution of the Board adopted February 15, 2012, authorizing the issuance and sale of the Bonds (the "*Supplemental Resolution,*" and, together with the Master Resolution, the "*Resolution*"); the Preliminary Official Statement dated February 1, 2012 (the "*Preliminary Official Statement*"); the Official Statement dated February 15, 2012 (the "*Official Statement*"); the Bond Purchase Agreement, dated February 15, 2012, between the University and Barclays Capital Inc. (the "*Purchase Agreement*"); the Continuing Disclosure Undertaking with respect to the Bonds (the "*Continuing Disclosure Undertaking*"); the Escrow Agreement dated the date hereof between the University and U.S. Bank National Association (the "*Escrow Agreement*"); and such other documents as I deemed necessary to render this opinion. Capitalized terms used but not defined in this opinion have the meanings assigned to such terms in the Resolution. This opinion is rendered pursuant to the Purchase Agreement.

Based upon my examination, it is my opinion that:

1. The University is an institution of higher education and a body politic of the State of Idaho, duly and validly created and existing pursuant to the laws of the State of Idaho, with full legal right, power, and authority (i) to issue bonds of the University pursuant to the Resolution; (ii) to adopt the Resolution; (iii) to enter into the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking; (iv) to pledge the Pledged Revenues (as defined in the Resolution) to secure the payment of the principal of and interest on the Bonds; and (v) to carry out and consummate the transactions contemplated by the Resolution, the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking.

2. The meeting of the Board on February 15, 2012, at which the Supplemental Resolution was duly adopted by the Board, was called and held pursuant to law, all public notices required by law were given, and the actions taken at the meeting, insofar as such actions relate to the Bonds, were legally and validly taken.

3. The adoption of the Resolution by the Board, the execution and delivery of the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking, and the performance by the University of the transactions contemplated thereby will not conflict with or constitute a breach of, or default under, any commitment, note, agreement or other instrument to which the University is a party or by which it or any of its property is bound, or any provision of the Idaho Constitution or laws or any existing law, rule, regulation, ordinance, judgment, order or decree to which the University or the Board is subject.

4. Based upon conferences with, and representations of officials of, the University, the statements in the Preliminary Official Statement and the Official Statement under the captions, "INTRODUCTION–Boise State University," "SECURITY FOR THE SERIES 2012A BONDS," "THE UNIVERSITY," and "LITIGATION," and in "APPENDIX B–SCHEDULE OF STUDENT FEES," are true and correct in all material respects and did not, as of their respective dates, and do not contain an untrue statement or omission of a material fact (other than, with respect to the Preliminary Official Statement, any information that is permitted to be omitted from the Preliminary Official Statement pursuant to the Rule), it being understood that, in rendering this opinion, I am not expressing an opinion with respect to financial, statistical or operating data contained under these captions of the Preliminary Official Statement and the Official Statement.

5. Except as described in the Official Statement, there is no action, suit, proceeding, official inquiry or investigation, at law or in equity, pending which (i) questions the existence or powers of the Board or the University or the title to office of any present official of the Board or the University; (ii) seeks to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds or the execution and delivery of the

Purchase Agreement, the Escrow Agreement, or the Continuing Disclosure Undertaking; (iii) affects the collection of the Pledged Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge of the revenues and other funds and accounts under the Resolution; (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (v) contests any authority for the issuance of the Bonds, and the adoption of the Resolution, or the execution and delivery of the Purchase Agreement, the Escrow Agreement, and the Continuing Disclosure Undertaking, or the validity of any proceedings taken by the University in connection with the issuance or sale of the Bonds.

Very truly yours,

____

Kevin D. Satterlee
University Counsel

EXHIBIT C

OPINION OF UNDERWRITER'S COUNSEL

[UNDERWRITER'S COUNSEL TO PROVIDE FORM OF OPINION]

THIS PAGE INTENTIONALLY LEFT BLANK

MOODY'S
INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS Aa3 RATING TO BOISE STATE UNIVERSITY'S (ID) $24.475 MILLION SERIES 2012A GENERAL REVENUE PROJECT AND REFUNDING BONDS; OUTLOOK IS STABLE

Global Credit Research - 25 Jan 2012

UNIVERSITY WILL HAVE A TOTAL OF $241.2 MILLION PRO-FORMA RATED DEBT OUTSTANDING

BOISE STATE UNIVERSITY, ID
Public Colleges & Universities
ID

Moody's Rating

ISSUE	RATING
General revenue Project and Refunding Bonds, Series 2012A	Aa3
Sale Amount $24,475,000	
Expected Sale Date 02/14/12	
Rating Description Revenue: Public University Broad Pledge	

Moody's Outlook STA

Opinion

NEW YORK, January 25, 2012 --Moody's Investors Service has assigned a Aa3 underlying rating to Boise State University's (the "University" or "BSU") $24.475 million General Revenue and Refunding Bonds, Series 2012A. At this time, we have also affirmed the outstanding debt listed under the RATED DEBT section of the report. The rating outlook is stable.

SUMMARY RATING RATIONALE

The Aa3 rating reflects Boise State University's favorable market position with improved selectivity and strong out-of-state student population, healthy operating margins despite cuts in state support, satisfactory average debt service coverage, and strong management team that engages in short and long-term planning. The Aa3 rating also incorporates the University's relatively high balance sheet and operating leverage and potential future capital projects.

STRENGTHS

*Strong market position as a leading public university with an urban location. Total full-time equivalent (FTE) enrollment was 15,215 in fall 2011, a marginal decline over the prior year. The selectivity has been improving, and was 54% for fall 2011 as management aims to improve student quality.

*Excellent operating margins due to increased net tuition and fee revenue as well as grants. The three-year average operating margin was 5.3% in FY 2011 (4.1% in FY 2010), well above the FY 2010 median of 1.7% for Aa3 rated public universities.

*Growing expendable financial resources provide adequate coverage of pro-forma debt and operations, at 0.79 and 0.72 times respectively.

*Historically strong philanthropic support, with total gift revenue at $23.3 million as of FY 2011.

CHALLENGES

*Relatively leveraged for its operating revenue base of $292 million. Pro-forma debt to operating revenue is 0.84 times based on FY 2011 financials, well above the 0.51 FY 2010 median

for Aa3 public universities.

*State appropriations have declined, and represented only 25.4% of total operating revenue in FY 2011, down from 34.6% in FY 2008.

*Relatively small with respect to balance sheet and operating revenue. Cash and investments were $125 million in FY 2011, compared to the FY 2010 median for Aa3 public universities of $186 million; operating revenue was $292 million in FY 2011 versus the $422.4 million FY 2010 median for Aa3 rated public universities.

DETAILED CREDIT DISCUSSION

USE OF PROCEEDS: Bond proceeds will be used to finance a portion of the costs of acquisition and construction of a football office and training facility and to refinance most of the University's outstanding Student Union and Housing System Refunding Revenue Bonds, Series 2003 and a portion of the General Revenue Bonds, Series 2004. Proceeds will also be used to pay the costs of issuance.

LEGAL SECURITY: The Series 2012A bonds are secured by a pledge of revenues that includes student fees, sales and service revenue, revenues received by the University as reimbursement for facility and administrative costs in conjunction with grants and contracts for research activities conducted by the University; various miscellaneous revenue sources (including non-auxiliary advertising, vending in non-auxiliary buildings, postage and printing); investment income and other pledged revenues designated by the Board. Pledged revenues exclude State appropriations and restricted Fund Revenues. To fund additional capital needs, the University implemented a Strategic Facility fee in 2006, which has increased from $25 in FY 2006 to $232 for FY 2011. Net revenues available for debt service were $113.8 million in FY 2011, which provided 722% coverage of debt service and 639% coverage of pro-forma maximum annual debt service of $17.8 million. Under the resolution, BSU has a debt service covenant to maintain Revenues Available for Debt Service at least equal to 110% of Debt Service on the outstanding bonds, and an additional bonds test of at least 1.1 times. There is no debt service reserve fund.

DEBT STRUCTURE: The Series 2012A bonds will be tax-exempt, fixed-rate debt with a 30-year amortization. There is level debt service from 2019-2042, and maximum annual debt service ($4.4 million) occurs in 2017.

BSU has $240.5 million of pro-forma General Revenue Bonds, including $14.1 million of taxable debt. Following this partial refunding of Series 2003 Student Union and Housing Bonds (secured by the net revenues of the housing, dining and student union system, mandatory student fees, and certain investment income and other funds) there will only be $665,000 of Student Union and Housing Bonds outstanding for Series 2002 and Series 2003 to be paid by FY 2013. In addition, BSU has a $1.96 million bank note payable for the Bronco Stadium Expansion and $2.4 million of capital leases.

INTEREST RATE DERIVATIVES: None.

MARKET POSITION: STABLE MARKET POSITION AS URBAN UNIVERSITY FOCUSED ON STEM DISCIPLINES WITH STRONG OUT-OF-STATE DRAW

Boise State University is an urban university located in Boise (rated Aa1), a regional center with a sizable and diverse economic base that includes technology, higher education, and healthcare. As outlined in its new strategic plan developed this year, BSU plans to focus on STEM (science, technology, engineering and mathematics) programs to better serve the region and help graduates obtain jobs. The University is primarily undergraduate at 92% of enrollment, but three new doctoral degrees were recently added in educational technology, bimolecular science and material science engineering. BSU aims to be a "metropolitan research university" and is working to build private partnerships in their STEM focus areas in order to increase research dollars. As of FY 2011, grants and contracts represented 13.3% of total operating revenue, versus 10.2% in FY 2007, indicating that there has been some growth in these areas, though with $20 million of research expense in FY 2011, still relatively low compared to other research universities.

Moody's expects BSU to see stable to growing enrollment moving forward. Total full-time equivalent (FTE) enrollment grew about 5% in fall 2009 and fall 2010, likely due to the national recession when more students returned to university. However, FTE enrollment dropped nearly 1% to 15,215 students in fall 2011, which management attributes to a decline in teachers enrolling for supplemental courses following a state legislative change for teacher certifications. In addition, over the past four years management decided to increase admissions standards. In fall 2011, the acceptance rate was 54%, down significantly from 68.7% in fall 2008. This policy change is related to the creation of a community college, the College of Western Idaho, in 2009 that serves students who had previously completed two-year degrees at BSU. If a student is not yet academically prepared to attend BSU, the admissions staff will recommend they attend CWI. There are currently 8,000 students attending CWI and now that two years have passed since it opened in January 2009, BSU will begin to see transfer students.

Future enrollment growth may also result from an increased emphasis on improving retention rates, at a low 69.2% as of fall 2011, potential growth in virtual learning, and the University's membership in the Big East football conference, which will increase the University's national reputation. Management aims to increase the number of students who graduate in four years, and offers a four-year guarantee, whereby the University will pay a students' remaining tuition costs if they are to blame for the student's inability to graduate in four years (i.e. through lack of course offerings). By offering new delivery methods through virtual learning, the University hopes to better serve its students, and the president hopes that every department will use virtual learning such that 3-4 core courses are online.

Boise State also benefits from a significant regional draw, with 34% of first-year matriculants from outside the State. Management indicated that it is not actively looking to increase the number of out-of-state students, but rather matriculation has grown organically as other nearby states' economies struggle. The majority of out-of-state students come from California, Oregon, Utah and Arizona. BSU's tuition is competitive, with an in-state rate of $5,566 and an out-of-state rate of $15,966.

OPERATING PERFORMANCE: CONSISTENTLY HEALTHY OPERATING MARGINS DESPITE DECLINE IN STATE SUPPORT

Boise State University has generated consistently healthy operating margins, with a 5.3% three-year average operating margin and a 17.8% operating cash flow margin in FY 2011. Moody's expects that the University will continue to have strong operating margins given its conservative budgeting practices and reduced reliance on State appropriations.

State appropriations decreased from 34.6% of total operating revenue in FY 2008 to 25.4% in FY 2011. BSU's FY 2012 state general fund appropriation was $68 million, a 3.5% decrease from FY 2011, but management does not anticipate holdbacks for FY 2012 and indicated that the State of Idaho (rated Aa1, stable) revenues are expected to be slightly higher for FY 2013. BSU has compensated for cuts in state funding through increased net tuition revenue, auxiliaries and grants and contracts. Tuition, room and board for in-state students has increased 5% last year and 9.6% in fall 2010, primarily to compensate for declining state aid, Management indicated that though the Board tries to avoid such significant increases, they may be necessary moving forward. There is a Board policy not to increase total tuition, facility, technology and activity fees in any single fiscal year by more than 10% unless it grants special approval, thereby potentially limiting BSU's ability to compensate for any additional state cuts or raise fees used for debt service.

As of FY 2011, tuition and auxiliaries represented 50.5% of total operating revenue, up from 45% in FY 2009. Moody's considers BSU's steadily increasing net tuition revenue per student, which was $6,289 in FY 2011, to be a credit positive, though they are below the $8,153 FY 2010 average for public universities at the Aa3 rating level. A new revenue stream will come from BSU joining the Big East Conference; these revenues will firstly go to support the athletic program. Athletics also pays into the academic facilities fund. This annual payment was $600,000 in FY 2011.

Boise State's robust budgeting practices, which include detailed budget templates used by each department to track revenue and expenses, and significant transparency, is considered to be a credit positive. The University is in the fifth year of its internal funding model, which links financial resources to strategic initiatives, and will tie tightly to the new strategic plan. This strong budget and expense management helped the University manage through periods of declining and unpredictable state funding. Beginning in September 2010, all state institutions must engage in interim reporting and provide full accrual quarterly reports to the Audit and Business Affairs committees of the State Board of Education.

Moody's maintains an Aa1 issuer rating on the State of Idaho reflecting a history of conservative fiscal management, strong population growth and in-migration from working professionals and retirees, and strong growth in high-tech and business services. The rating also incorporates manufacturing losses and slow growth in major metropolitan areas, as well as the highly cyclical nature of the technology industry that dragged down Idaho's economy during the national recession. For more information, please see Moody's report dated January 19, 2012.

BALANCE SHEET: FINANCIAL RESOURCES PROVIDE ADEQUATE CUSHION FOR DEBT; FUTURE CAPITAL PLANS

BSU's expendable financial resources grew 18% last year to $195 million in FY 2011, providing satisfactory coverage of pro-forma direct debt at 0.79 times and of operations at 0.72 times. The University is relatively leveraged, with pro-forma debt to operating revenue of 0.84 times, well above the FY 2010 median for Aa3 rated universities of 0.51 times. The University has invested significantly in capital projects recently, with 11 buildings added over the past ten years, to meet their needs for academic programs and ongoing maintenance. Management anticipates this level of capital investments will slow down, though there are several capital projects in varying stages of planning, including additional phases of the stadium expansion, a science and engineering building, an alumni center (funded by the alumni association), and an arts and humanities center. The University aims to fund its capital projects with gifts, University funding and state support, though Moody's recognizes that if it does not meet its funding targets, debt could be needed. Management indicates, however, that there are currently no additional debt plans within the next two years.

BSU ultimately decided not to proceed with its plans for privatized housing announced in June, 2009. Instead, it funded $18.7 million of housing construction for the Lincoln project with reserves and savings from prior bonds sales. 148 beds opened in January 2011 and the remaining 212 beds will open summer 2012. Other ongoing construction projects include the College of Business and Economics, funded through student fee revenue bond proceeds, student fees and private donations, which is on schedule to complete this summer, and a biomedical research vivarium, funded with federal grants, scheduled to complete this year. This new sale supports the first phase of the Stadium expansion, and includes a target of $10.5 million of gift revenue; to date they have received $3.5 million in cash and $6.1 in pledges. Moody's notes that historically the University has only proceeded with a new capital project if there is sufficient available funding.

Investment income represents 1.9% of BSU's operating revenue. BSU's endowment is primarily invested with its Foundation, which saw a 21.4% return for FY 2011. The foundation's investments of $73.8 million as of December 31, 2011 include 52% in equities, 24% in traditional fixed income, 9% in hedge funds, 2.7% in private equity/venture capital, 6.8% commodities and other alternatives, and 4% in cash. BSU Foundation's investment advisor is Mercer Investment Consulting, formerly Hammond Associates. Moody's notes some concentration in the Foundation's investments with 12.4% of the portfolio in one fixed income fund.

The University had satisfactory monthly liquidity of $86 million in FY 2011, representing 126 days of operating expenses on hand.

GOVERNANCE AND MANAGEMENT

Moody's considers BSU's conservative budgeting and short and long-term planning to be a credit positive. The University has budget templates for all departments that roll up to the dean and Vice President level. Budget increases or decreases are not across the board, but dependent on the department and transparent such that all members of the University community can see the resource expenses of different departments. In addition, departments are able to reallocate funds from savings in one area to apply to a different initiative. The University is currently in the process of a new strategic planning process and engages in benchmarking.

The eight members of the Board of Trustees also serve as the Idaho State Board of Education. Seven members of the combined boards are appointed by the Governor and serve for five-year terms. The elected State Superintendant of Public Instruction serves ex officio as the eighth member of the Board for a four-year term.

There are several new additions to the senior staff, including a new Vice President of Student Affairs hired in July 2011, a new athletic director who joined in January 2012, and a new Treasurer. Other recent additions to the executive team include the Provost and VP for Academic Affairs who was promoted in 2010, and an interim VP for University Advancement who started in May 2011 and has been with the University since fall 2007.

Outlook

The stable outlook reflects Moody's expectation that Boise State University will continue to see healthy operating margins, adequate balance sheet coverage of debt and operations, and stable enrollment with a strong out-of-state student draw.

WHAT COULD CHANGE THE RATING UP

Material growth in financial resources providing ample coverage of any additional leverage; increased diversity of revenue streams, including grants and philanthropic support.

WHAT COULD CHANGE THE RATING DOWN

Pressure on student market; substantial decline in balance sheet cushion or significant debt issuance; prolonged declines in operating performance.

KEY INDICATORS (FY 2011 financial data and fall 2011 enrollment data)

Full-Time Equivalent (FTE) Enrollment: 15,215 students

Freshmen Selectivity: 54.2%

Freshmen Matriculation: 52.7%

Total Pro-Forma Direct Debt: $245.5 million

Expendable Financial Resources: $195 million

Total Financial Resources: $258 million

Expendable Financial Resources-to-Pro-Forma Debt: 0.79 times

Expendable Financial Resources-to-Operations: 0.72 times

Three-Year Average Operating Margin: 5.3%

Operating Cash Flow Margin: 17.8%

Three-Year Average Debt Service Coverage: 2.56 times

Reliance on Student Charges (Net Tuition, Fees, and Auxiliary Revenues): 50.5%

Reliance on Government Appropriations: 25.4%

State of Idaho: Aa1, Stable

RATED DEBT

General Revenue Bonds: Series 2004A, 2009A, 2010A, 2010B and 2012A: Aa3 (Series 2004A to be partially refunded with this new sale)

General Revenue Bonds: Series 2005A, 2007A, 2007B and 2007C: Aa3, insured by National Public Finance Guarantee Corp, formerly MBIA (current financial strength rating of Baa2

with a negative outlook)

Student Union and Housing System Bonds, Series 2002, 2003: Aa3 (Series 2003 to be mostly refunded with this new sale)

CONTACTS:

Boise State University: Stacy Pearson, Vice President of Finance and Administration, 208-426-1200; Jo Ellen DiNucci, Associate Vice President of Finance and Administration, 208-426-1200

Financial Advisor: Richard King, Director, Barclays Capital, 206-344-5838

The principal methodology used in this rating was U.S. Not-for-Profit Private and Public Higher Education published in August 2011. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

Although this credit rating has been issued in a non-EU country which has not been recognized as endorsable at this date, this credit rating is deemed "EU qualified by extension" and may still be used by financial institutions for regulatory purposes until 30 April 2012. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information source used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service's information, and confidential and proprietary Moody's Analytics' information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see the ratings disclosure page on www.moodys.com for general disclosure on potential conflicts of interests.

Please see the ratings disclosure page on www.moodys.com for information on (A) MCO's major shareholders (above 5%) and for (B) further information regarding certain affiliations that may exist between directors of MCO and rated entities as well as (C) the names of entities that hold ratings from MIS that have also publicly reported to the SEC an ownership interest in MCO of more than 5%. A member of the board of directors of this rated entity may also be a member of the board of directors of a shareholder of Moody's Corporation; however, Moody's has not independently verified this matter.

Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moodys.com for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Analysts

Emily Schwarz
Lead Analyst
Public Finance Group
Moody's Investors Service

Karen Kedem
Backup Analyst
Public Finance Group
Moody's Investors Service

Contacts

Journalists: (212) 553-0376
Research Clients: (212) 553-1653

Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
USA

CREDIT RATINGS ISSUED BY MOODY'S INVESTORS SERVICE, INC. ("MIS") AND ITS AFFILIATES ARE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND CREDIT RATINGS AND RESEARCH PUBLICATIONS PUBLISHED BY MOODY'S ("MOODY'S PUBLICATIONS") MAY INCLUDE MOODY'S CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL, FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS AND MOODY'S OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. CREDIT RATINGS AND MOODY'S PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND CREDIT RATINGS AND MOODY'S PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. NEITHER CREDIT RATINGS NOR MOODY'S PUBLICATIONS COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS AND PUBLISHES MOODY'S PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable, including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The ratings, financial reporting analysis, projections, and other observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. Each user of the information contained herein must make its own study and evaluation of each security it may consider purchasing, holding or selling. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

MIS, a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MIS have, prior to assignment of any rating, agreed to pay to MIS for appraisal and rating services rendered by it fees ranging from $1,500 to approximately $2,500,000. MCO and MIS also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Shareholder Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Any publication into Australia of this document is by MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657, which holds Australian Financial Services License no. 336969. This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001.

Notwithstanding the foregoing, credit ratings assigned on and after October 1, 2010 by Moody's Japan K.K. (“MJKK”) are MJKK's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities. In such a case, “MIS” in the foregoing statements shall be deemed to be replaced with “MJKK”. MJKK is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly owned by Moody’s Overseas Holdings Inc., a wholly-owned subsidiary of MCO.

This credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors. It would be dangerous for retail investors to make any investment decision based on this credit rating. If in doubt you should contact your financial or other professional adviser.

THIS PAGE INTENTIONALLY LEFT BLANK

STANDARD & POOR'S

Global Credit Portal®
RatingsDirect®

January 31, 2012

Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

Primary Credit Analyst:
Jessica Lukas, Chicago (1) 312 233 7004; jessica_lukas@standardandpoors.com

Secondary Contact:
Carlotta R Mills, San Francisco (1) 415-371-5020; carlotta_mills@standardandpoors.com

Table Of Contents

Rationale

Outlook

Enterprise Profile

Financial Profile

Related Criteria And Research

Boise State University, Idaho; Public Coll/Univ - Unlimited Student Fees

Credit Profile		
US$24.47 mil gen rev proj & rfdg bnds ser 2012A		
Long Term Rating	A+/Stable	New
Boise St Univ gen rev ser 2005A, 2007A, 2007B, 2007C (MBIA)		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed
Boise St Univ Gen Rev bnds ser 2007A		
Long Term Rating	A+/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'A+' long-term rating to Boise State University (BSU), Idaho's series 2012A general revenue project and refund bonds. At the same time, Standard & Poor's affirmed its 'A+' long-term and underlying ratings (SPUR) on BSU's debt outstanding. The outlook on all ratings is stable.

The 'A+' rating reflects our assessment of the university's:

- Consistently positive adjusted financial operations on a full-accrual basis;
- Good revenue diversity with 24% of fiscal 2011 revenues coming from appropriations from Idaho (AA/Stable), 28% from net tuition, and 17% from auxiliary operations;
- Continued growth in student enrollment that is supported by a wide array of program offerings; and
- Adequate financial resources ratios for the rating category, with unrestricted net assets for fiscal 2011 equal to 35% of operating expenses and 42% of pro forma debt.

Offsetting factors in our view include:

- A constrained state economy and budget that affects the university's operations and capital funding; and
- A manageable but somewhat above-average maximum annual debt service (MADS) burden of about 6.1% of 2011 operating expenses, with potential additional debt during the outlook period.

Total pro forma debt will be about $241 million (including $2.0 million of capital leases and $1.8 million in bank notes payable), producing an above-average but manageable 6.1% MADS burden in our view. All of BSU's outstanding bonds are parity general revenue debt secured by pledged revenues, which include all available revenues of the university (including tuition, student fees, and auxiliary revenue, but specifically excluding state appropriations and restricted revenues). Due to the broad scope of pledged revenues, Standard & Poor's views this as an unlimited student-fee obligation. In fall 2006, the university instituted a strategic facility fee to fund construction related to its master plan. In fiscals 2009-2011, the student fee was $210; in fiscal 2012, management reports that it was raised to $232. This student fee is internally dedicated to debt service. There is no debt service reserve fund. All of BSU's debt is fixed rate and the university has no swap contracts.

Despite the challenged funding environment, BSU has continued the construction outlined in its campus master plan.

Projects currently underway include: Lincoln Avenue housing, the College of Business and Economic building, and the Vivarium. The Environmental Research building opened during fiscal 2011. Management reports that it does not expect to issue any additional debt during the outlook period, but may issue additional debt for various capital projects during the next 36 months.

Outlook

The stable outlook reflects our expectation that the university will maintain stable enrollment, continue to generate balanced operating results on a full-accrual basis, manage through a continued period of uncertain state appropriations, and that fund raising will continue to progress. We expect that future debt will have dedicated associate revenue streams and that any new debt will be accompanied by a commensurate increase in resources.

A positive rating action during the outlook period would require substantial improvement in the university's financial resource ratios relative to the rating category, growth in the endowment, and improvement in student demand/selectivity metrics relative to peer institutions. Credit factors that could lead to a negative rating action during the two year outlook period include significant operating deficits on a full-accrual basis, erosion of financial resource ratios relative to the rating category, or issuance of debt that would significantly increase the university's debt burden.

Enterprise Profile

The university

BSU, founded in 1932, has the largest student enrollment of any post-secondary institution in Idaho (15,215 full-time equivalent (FTE) students in fiscal 2012, fairly steady with fiscal 2011). The university offers 73 master's degrees and four doctoral degrees. The university's applied-technology programs were transferred to a new community college, the College of Western Idaho (CWI), which opened its doors in January 2009. About 700 FTE students were transferred to the new college. In the fall of 2010, approximately 45 CWI students transferred to BSU; and in fall of 2011, this number was 77. Management expects this to increase significantly in future years. Non-resident enrollment represented approximately 19% of total students enrolled in fall 2011, compared to 16% the prior year.

Enrollment and demand: Continued growth

The university's applied-technology programs and related headcount were transferred to a new community college, CWI, which opened its doors in January 2009. Despite this transfer of students, total headcount at BSU has continued to grow -- increasing 11.6% during the past five years to 19,664 in fall 2011, from 17,614 in fall 2005. FTE enrollment in fall 2011 was 15,215, about flat with the previous year. The majority of students are undergraduates (about 88%), although graduate enrollment has increased about 154% in three years to 2,296 FTE in fall 2011 from 904 FTE in fall 2007.

Undergraduate student quality, as measured by the average entering freshman's ACT score, was about 22.4 in fiscal 2011 (the U.S. average is about 21, the Idaho average is 21.8). The majority of students (about 80% in fiscal 2012) are Idaho residents. First-year applications in fall 2011 were 7,845, a 22.8% increase from the previous year -- and, during the past four years, applications are up almost 70%. According to management, BSU's strategic recruitment plan; rising tuition costs in surrounding states such as California, Oregon and Washington; and the university's increasing national visibility and recognition are the key factors that have contributed to its significant application increases. In fall 2011, BSU's matriculation rate was what we consider low compared to previous years at 53%, but is still a solid ratio, reflecting the university's academic niche. Management reports that increasing admission standards have helped the university control growth; the university accepted 54.2% of applicants in fall 2011, compared with 66.1% in fall 2010.

BSU currently provides 2,200 beds on campus in residence halls and apartments. The Lincoln Avenue housing project, when complete, will add 360 beds (for a combined total of 2,560 beds) for upper classmen when it is completed in fall 2012. Management reports that current occupancy rates for fall 2011 were 95% for residence halls and 96% for apartments; comparable rates in fall 2009 were 92% and 90%, respectively. Per management, some units were not utilized in 2009 due to anticipated closures for some construction projects; this contributed to the lower utilization. During the past five years, management reports that occupancy rates have averaged around 95%.

Management

The responsibility for overall management and determination of university policy and

standards is vested with the BSU Board , which also serves as the Idaho State Board of Education, the Regents of the University of Idaho, the Board of Trustees for Idaho State University in Pocatello, the Board of Trustees for Lewis Clark State College in Lewiston, and the State Board for Professional-Technical Education and Vocational Rehabilitation.

The governor appoints seven of the members of the combined boards for five-year terms. The elected State Superintendent of Public Instruction serves ex officio as the eighth member of the board for a four-year term.

Dr. Robert Kustra, Ph.D., the university's current president, took office as BSU's sixth leader on July 1, 2003. Dr. Martin E. Schimpf, Ph.D. has served as Boise State University's provost and vice president of Academic Affairs since 2010 and has been with the university since 1990. The university operates under a formal strategic plan and campus master plan; the draft strategic plan for 2012 to 2017 has been drafted and is expected to be completed in February 2012.

Government-related entity (GRE)

In accordance with our criteria for government-related entities (GREs), we based our view of a 'low' likelihood of extraordinary government support on our assessment of BSU's "limited" link with the state of Idaho, given the state's limited involvement with the day-to-day operations of the university, history of annual operating appropriations, and no history of extraordinary support. In addition, we based our assessment on BSU's "limited" role in the state's economy compared with that of other state GREs, although BSU is the largest institution of higher education in the state and is a general contributor to the overall economic development and a significant driver of construction activity in Boise. The university is a state educational institution created pursuant to the state constitution and statutes.

Financial Profile

Financial operations

The university's trend of operating surpluses on a full-accrual basis continued in fiscal 2011 with an adjusted operating surplus of about $16.0 million, compared to surpluses of $8.5 million in fiscal 2010, $8.9 million in fiscal 2009, and $11.6 million in fiscal 2008. The modest decrease in the fiscal 2009 operating surplus was the result of slower revenue growth related to flat research and auxiliary revenue, and faster expense-base growth related to an increase in employee health benefits, a salary increase in light of the state holdback in appropriation revenue, and the cost of additional scholarships and fellowships. During fiscal 2011, the university imposed $3.2 million in departmental "holdbacks" or reduced budgets. The university carried this forward for use in fiscal 2012. Management reports that it expects fiscal 2012's nets assets to be more than fiscal 2011, as total revenues are projected to exceed budget, while closely-managed expenses are expected to come in at budget. Management reports that it will continue to manage state funding reductions through enrollment increases, tuition increases, and continued cost containments.

State appropriations and tuition

BSU's revenue base is fairly diverse in our view. The university receives among the largest portions of state appropriation funding allocated to public institutions. In fiscal 2011, BSU's largest revenue sources included:

- State appropriations (24% of total operating revenues);
- Net student fees (28%);
- Auxiliary income (17%); and
- Grants and contracts (13%).

After several years of appropriation increases, the state reduced BSU's appropriation 13% in fiscal 2010 to $72.1 million, (net of a $6.2 million holdback), due to the state's lower-than-projected revenues. In fiscal 2011, BSU's state funding was reduced another 4% to $70.5 million in total appropriations, which included $1.3 million in American Recovery and Reinvestment Act (ARRA) funding. Per management, in fiscal 2011 the appropriation reduction was offset by a 9.0% student fee increase and continuing cost containment. In fiscal 2012, BSU expects state appropriations to decrease another 3.5% to $68.0 million. Management intends to offset this decrease with a 5.0% increase in tuition. Despite the increase, we consider tuition reasonable at $5,566 annually for the 2011-2012 academic year for an Idaho student.

Financial resources

We consider the university's financial resource ratios adequate for the rating category, with adjusted unrestricted net assets of $101.9 million or 35% of operating expenses and 44% of pro forma debt as of June 30, 2011. Also as of June 30 2011, the university's foundation had $142.9 million in total investments; of that amount, approximately $8.3 million was unrestricted and is included in the above financial resource ratios. The foundation's funds are invested in 27% international equities, 27% domestic equities, 8% real assets, 24% fixed-income, with the remainder in hedge funds and private equity. Management reported a 21.4% return for the year ended June 30, 2011, compared to a 10.8% return for the year ended June 30, 2010, and compared to a negative 24.0% for fiscal 2009. The university does not utilize an annual endowment draw for general operations.

The university recently completed its first comprehensive capital campaign, "Destination Distinction," the proceeds of which will be used for capital projects, endowed professorships, and scholarships. The university raised more than $185 million, surpassing its $175 million goal. Management reports that BSU is already in the planning stages of its next campaign.

Retirement plans

The university's retirement plan is run through the state-created Public Employee Retirement System of Idaho (PERSI). Post-employment benefits are provided through a defined benefit plan administered by the university. Other post-employment benefit (OPEB) obligations in fiscal 2011 were $3.1 million.

Related Criteria And Research

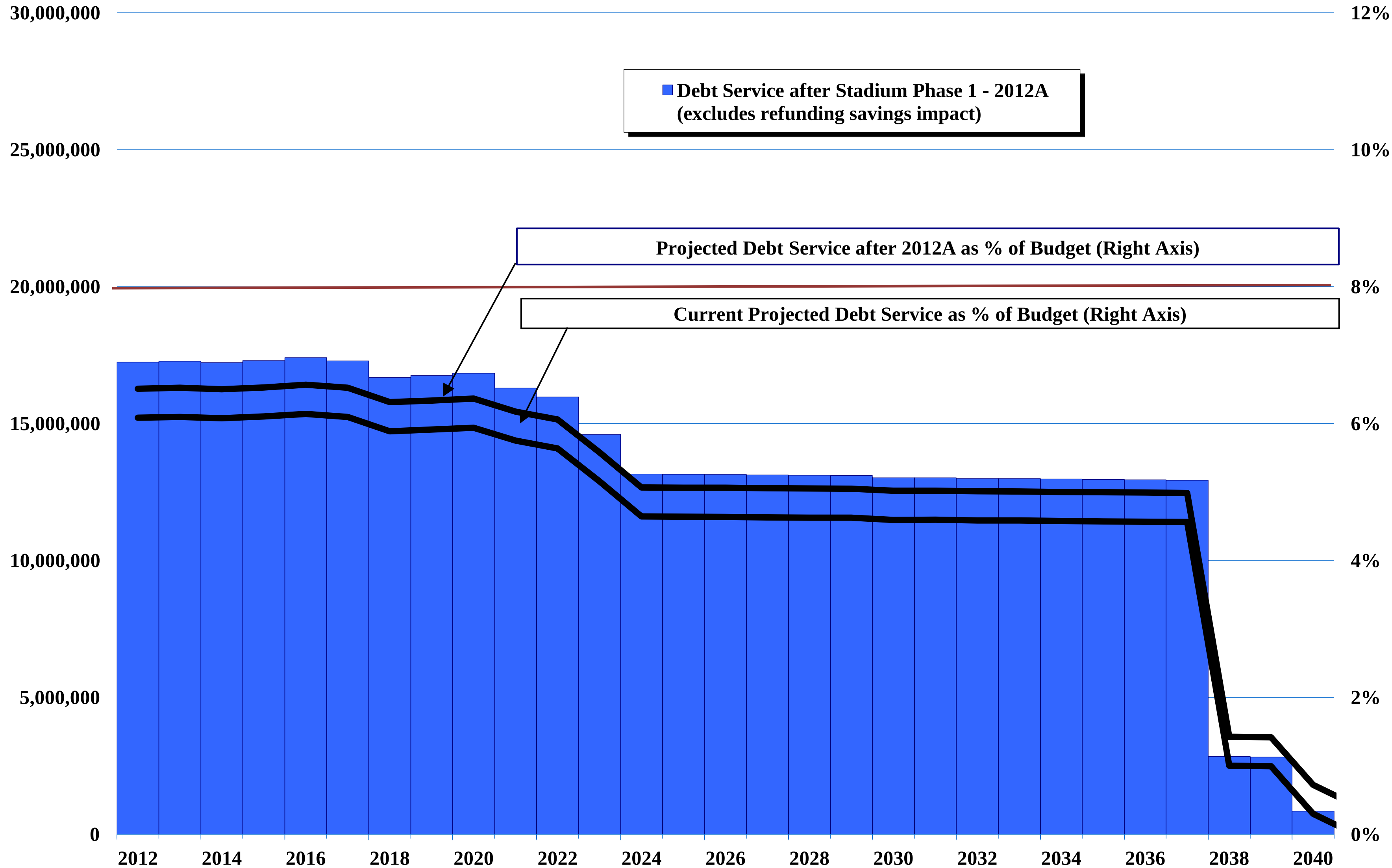
- USPF Criteria: Higher Education, June 19, 2007
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

Ratings Detail (As Of January 31, 2012)		
Boise St Univ stud union & hsg rev bnds ser 2002		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed
Boise St Univ stud union & hsg sys rfdg rev bnds ser 2003		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed
Boise St Univ Std University Fee & Housing Sys ser 2002 (MBIA)		
Unenhanced Rating	A+(SPUR)/Stable	Affirmed

Many issues are enhanced by bond insurance.

THIS PAGE INTENTIONALLY LEFT BLANK

Boise State University
Debt Service to Budget
February 2012



1/17/2012 3:01 PM

Boise State University
Ten Year Debt Projection
February 2012

		Est. Debt Financed	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total
1	**Future Buildings**												
2	Stadium Expansion Phase 1	$17,500,000	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$12,040,943
3													
4													
5	Future Debt Financing	$17,500,000	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$1,204,094	$12,040,943
6	**Current University Debt Service**		$17,241,393	$17,278,436	$17,219,913	$17,296,115	$17,404,328	$17,280,565	$16,682,665	$16,752,426	$16,830,173	$16,294,180	$170,280,194
7	**Total Projected Debt Service after Stadium Phase 1 project**		$18,445,487	$18,482,530	$18,424,007	$18,500,209	$18,608,422	$18,484,659	$17,886,759	$17,956,520	$18,034,267	$17,498,274	$182,321,137
8	**Operating Budget (less direct loans, includes 0% growth in State support)**		$284,086,705	$283,426,163	$283,426,163	$283,426,163	$283,426,163	$283,426,163	$283,426,163	$283,426,163	$283,426,163	$283,426,163	
9	**Current Debt Service as a % of Operating Budget (6/8)**		6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	5.9%	5.9%	5.9%	5.7%	
10	**Future Debt Service as a % of Operating Budget (7/8)**		6.5%	6.5%	6.5%	6.5%	6.6%	6.5%	6.3%	6.3%	6.4%	6.2%	
	8% is the University's planned cap.												

Assumptions:

11	*Student Revenue*	1. 0% student growth from student fees, $25 new SFF in 2013, hedging against enrollment decline
12	*General Fund*	2. 2% base reduction in 2013, no increase in appropriated funds in future, appears to be conservative at this time
13	*Donations, Sales*	3. Gifts and auxilliary revenues hold at 2011 levels
14		4. Loss of stimulus funding in 2012 and decrease in Federal grants of 3% in 2013, appears to be conservative at this time
15		5. New debt at 5.5% for 30 years
16		6. Refunding savings from 2012A is not reflected in total debt service amounts, as such, actual debt service will be less than amount shown on line 7.
17		

Attachment 7 – The Preliminary Official Statement dated February 2, 2012

is included as a separate file:

"BAHR-Finance Agenda, Tab 6, Attachment 7"

THIS PAGE INTENTIONALLY LEFT BLANK

LEWIS-CLARK STATE COLLEGE

SUBJECT

Detailed planning and design phase for the Fine Arts Building remodel project

REFERENCE

August 2010	Board approved recommendation to the Permanent Building Fund Advisory Council a list of major capital projects, including LCSC's request for the upgrade of Fine Arts Building, for consideration in FY2012 budget process.

APPLICABLE STATUTES, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.3. "Construction Projects" (December 2011).

BACKGROUND / DISCUSSION

The Fine Arts Building at Lewis-Clark State College (LCSC) was constructed in 1912 and was initially used as a men's dormitory. In subsequent years it supported various instructional operations including music programs, and later, science programs. The facility is a two story wood-framed building with exterior brick veneer and a day-lighted basement. The building was remodeled in 1962 to add an external metal spiral fire escape, and again in 2004 to provide restrooms and an ADA-accessible elevator. Total gross square footage for the facility is 12,144 sq. ft. While the building's classic exterior contributes to the historical heritage of LCSC, its antiquated classroom, office, and support spaces are useable today only as short-term, temporary space due to lack of adequate plumbing, electrical/lighting, fire suppression, and HVAC systems.

The proposed project would reconfigure the space within the older section of the building (that portion not upgraded in the 2004 remodel) to provide modern classroom, office, and common area space, with functional HVAC, energy efficient windows, modern lighting/electrics, and fire safety systems. The total estimated cost of the project is $1.9M, of which agency funds (private fund-raising) will contribute $200K, and $1.7M will be sourced from the Permanent Building Fund (PBF). $200K (all from PBF) has been allocated for the design phase of the project. The Division of Public Works (DPW) selected this project from among the list of Board-recommended capital projects in its FY2012 proposal to the Legislature, and the Legislature approved funding for the project (DPW project #2012-150).

The winning architect/design team in the ensuing DPW competition was Castellaw Kom Architects (CKA) based in Lewiston, teamed with Hummel Architects based in Boise. The architects have completed their conceptual schematic design work on the facility, and have produced a basic plan which should provide well laid-out classroom, office, and common areas within the project's allocated construction budget. Conceptual diagrams of the revised building space are provided in the attachments to this tab. LCSC's planning team has worked closely with DPW's Project Manager and the architects on the preliminary concept design work, and the Permanent Building Fund Advisory Council (PBFAC) will vote on a motion to proceed into the detailed planning and design phase at its February 7, 2012 meeting. The project is estimated to be completed in time for full use of the facility by the start of classes in the fall of 2013. The remodeled facility will be the home of LCSC's Business Division, which currently operates out of spaces in the basement of the Administration Building and in other space scattered across campus.

IMPACT

This project, for which PBFAC funding has already been approved, is on track and ready to proceed into planning and design. Completion of the project will restore usability and efficiency to this once-elegant facility.

ATTACHMENTS

Attachment 1- Photographs of building exterior/interior	Page 3
Attachment 2 – Architect team's schematic diagrams	Page 4

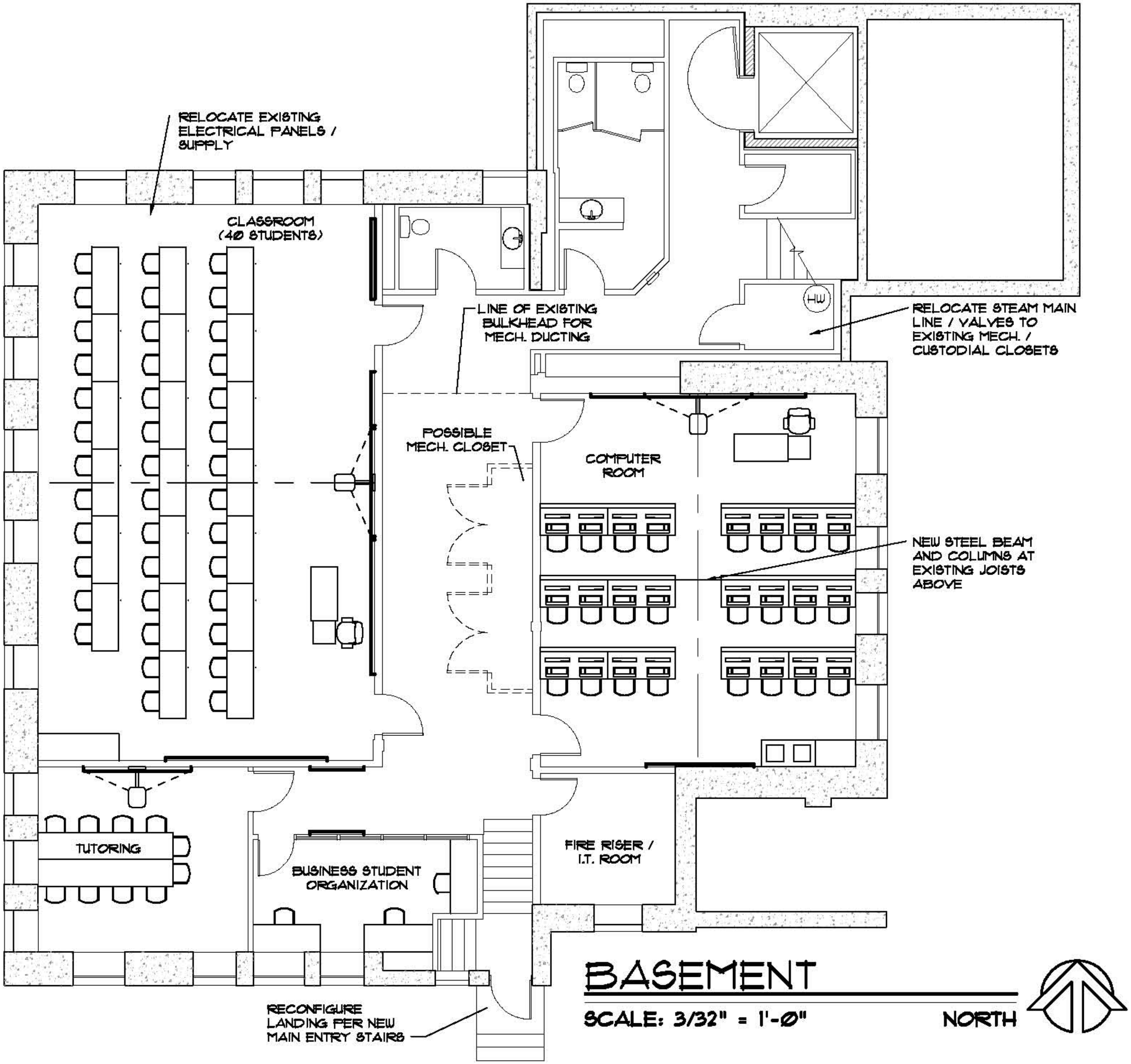
STAFF COMMENTS AND RECOMMENDATIONS

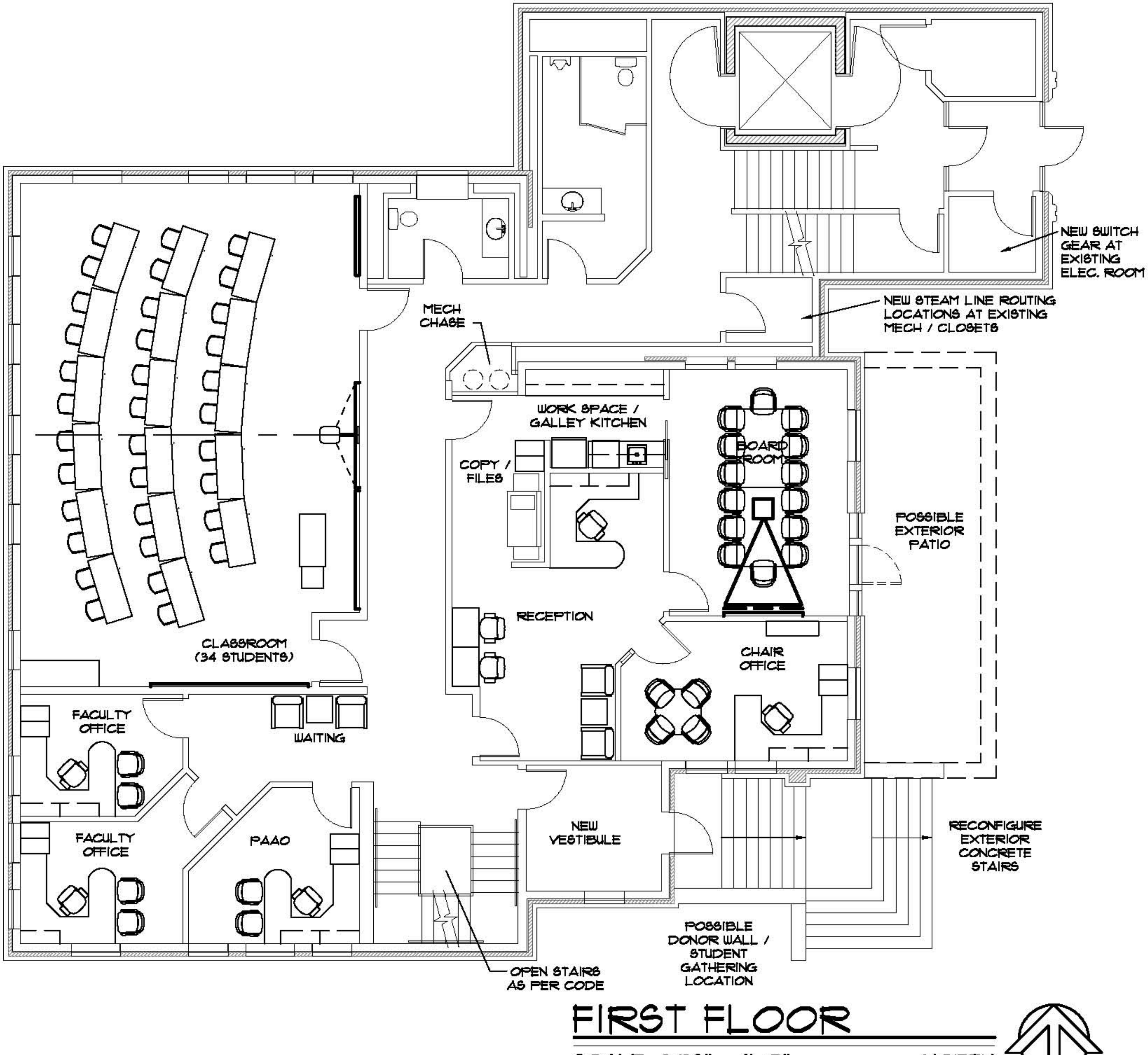
Staff toured the Fine Arts Building with the PBFAC last September. The older section of the building is functionally obsolete in its current condition. Staff recommends approval.

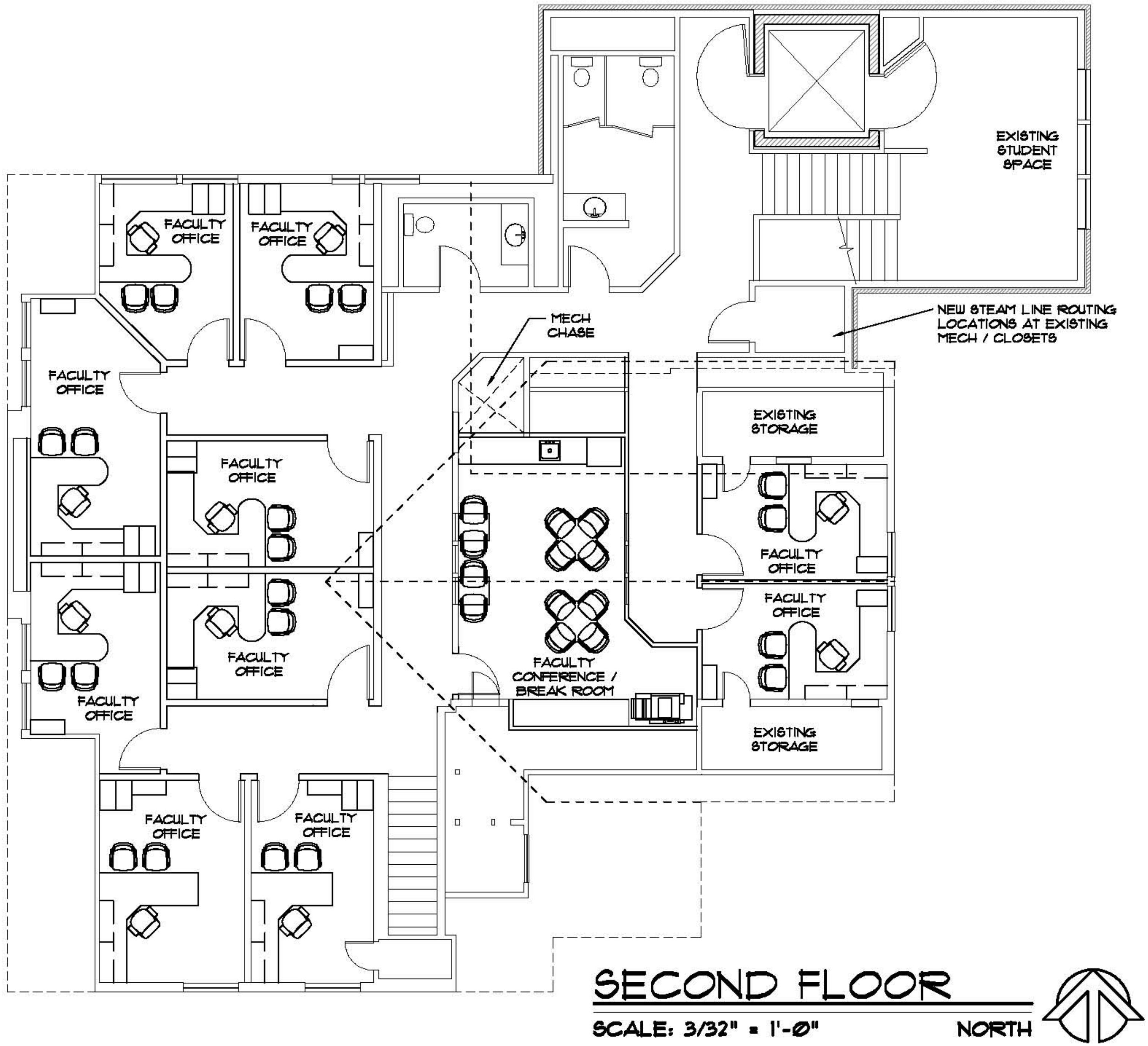
BOARD ACTION

I move to approve the continuation of the Lewis-Clark State College Fine Arts Building remodel ("design-bid-build") project into the detailed planning and design phase, as recommended by the Division of Public Works and the Permanent Building Fund Advisory Council, with an estimated design budget of $200,000 which has been sourced from the Idaho Permanent Building Fund.

Moved by____________ Seconded by_____________ Carried Yes____ No____


RELOCATE EXISTING ELECTRICAL PANELS / SUPPLY
CLASSROOM (40 STUDENTS)
LINE OF EXISTING BULKHEAD FOR MECH. DUCTING
RELOCATE STEAM MAIN LINE / VALVES TO EXISTING MECH. / CUSTODIAL CLOSETS
HW
POSSIBLE MECH. CLOSET
COMPUTER ROOM
NEW STEEL BEAM AND COLUMNS AT EXISTING JOISTS ABOVE
TUTORING
BUSINESS STUDENT ORGANIZATION
FIRE RISER / I.T. ROOM
RECONFIGURE LANDING PER NEW MAIN ENTRY STAIRS
BASEMENT
SCALE: 3/32" = 1'-0"
NORTH


NEW SWITCH GEAR AT EXISTING ELEC. ROOM
MECH CHASE
NEW STEAM LINE ROUTING LOCATIONS AT EXISTING MECH / CLOSETS
WORK SPACE / GALLEY KITCHEN
BOARD ROOM
COPY / FILES
POSSIBLE EXTERIOR PATIO
RECEPTION
CLASSROOM (34 STUDENTS)
CHAIR OFFICE
FACULTY OFFICE
WAITING
FACULTY OFFICE
PAAO
NEW VESTIBULE
RECONFIGURE EXTERIOR CONCRETE STAIRS
POSSIBLE DONOR WALL / STUDENT GATHERING LOCATION
OPEN STAIRS AS PER CODE
FIRST FLOOR
SCALE: 3/32" = 1'-0"
NORTH



SECOND FLOOR

SCALE: 3/32" = 1'-0"

LEWIS-CLARK STATE COLLEGE

SUBJECT

Student Fee Refunding Revenue Bond--total amount to be refinanced is $3,000,000

REFERENCE

March 1998	The Board approved a resolution authorizing LCSC to issue a maximum of $6,500,000 (the actual issuance was $6,335,000) in revenue and refunding bonds to finance improvements to the Student Union Building and to pay off a $1,525,000 line of credit held by First Security Bank.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Sections V.F.1. (“General Powers”)

BACKGROUND/DISCUSSION

Lewis-Clark State College (LCSC) is seeking approval to refinance the balance ($3,730,000) of its current revenue bonds. If approved, the College plans to enter into an agreement with Wells Fargo Bank N.A., who would hold the resulting note.

The impetus for the refinancing is the favorable current interest rate environment. The coupon rate on LCSC’s current bonds ranges from 5.13% to 5.2% over the remaining six (6) year life. While the exact interest rate resulting from the refinance will not be determined until the note is executed, it is expected to be at or below 3%, based on initial discussions with Wells Fargo Bank. The refinancing is expected to yield interest savings exceeding $60,000 annually over the remaining six (6) year term.

The bond provisions require that payoff notification be given at least 30 and not more than 45 days in advance of each semi-annual payment date. The next payment date is April 1, 2012, so Board approval is being sought in order for the refinancing to be finalized in time to meet that date.

Associated with the current revenue bonds is a reserve fund, which currently totals $635,841. The fund is invested primarily in government securities at nominal yields. The refinance will allow LCSC to extinguish this fund, and apply the monies therein against debt principal to reduce the refinanced balance. This application will further reduce interest costs and benefit the institution.

IMPACT

As noted above, Board approval of the proposed refinancing will result in estimated annual interest savings of $60,000+ for the next six years. The restructured debt will be issued at $3,000,000, not including an origination fee of .5% ($15,000). It should be noted that the first three (3) months of interest savings will offset this fee. Payments will be made monthly over an amortized term of not more than 72 months.

ATTACHMENTS

Attachment 1: Board Authorizing Resolution (DRAFT) Page 3
Attachment 2: Loan Agreement and Documents (to be provided at meeting)

STAFF COMMENTS AND RECOMMENDATIONS

LCSC has identified an opportunity to take advantage of historically low interest rates by refinancing the balance of its current revenue bonds. The college stands to reduce both the debt principal and interest through this refinancing. Staff recommends approval.

BOARD ACTION

I move to approve the request by Lewis-Clark State College to refinance the current revenue bond financing for the Student Union Building and related facilities through a new five or six year note from Wells Fargo Bank, N.A. for a total of $3,000,000 at an interest rate not to exceed four (4) percent (secured by student fees) by signing a Board Authorizing Resolution and Board Office Certification in substantial conformance with Attachment 1 as presented; and to authorize the college's Vice President for Finance & Administration to execute any necessary documents on behalf of the Board of Trustees.

Motion by ______________ Seconded by ____________ Carried Yes ___No___

AUTHORIZING RESOLUTION

A RESOLUTION OF THE STATE BOARD OF EDUCATION ACTING AS THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE, AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT AND PROMISSORY NOTE WITH WELLS FARGO BANK, NATIONAL ASSOCIATION AND RELATED DOCUMENTS WITH RESPECT TO THE REFINANCING OF CERTAIN REVENUE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, THE STATE BOARD EDUCATION ACTING AS BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE (the "College"), a body politic and corporate and institution of higher education duly organized, existing and authorized by the Constitution and laws of the State of Idaho, to borrow money and issue notes or bonds to finance and refinance the acquisition and construction of facilities for student and College programs in Lewiston, Idaho through promissory notes; and

WHEREAS, the College desires to refinance certain revenue bonds through a Loan Agreement and Promissory Note in the amount of up to $3,000,000 at a to be determined rate of interest with Wells Fargo Bank, National Association (the "Bank");

WHEREAS, in order to refinance the Project, the College proposes to enter into the Agreement, Note, and related documents with the Bank (the "Financing Documents"), the form of which have been presented to the Board of Trustees at this meeting; and

WHEREAS, the Board of Trustees of the College deems it for the benefit of the College and for the efficient and effective administration thereof to enter into the Financing Documents on the terms and conditions therein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED BY THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE as follows:

Section 1. Approval of Documents.

The form, terms and provisions of the Financing Documents are hereby approved in substantially the forms presented at this meeting; and the Bursar of the College is hereby authorized and directed to execute the Financing Documents and to deliver the Financing Documents to the respective parties thereto.

Section 2. Other Actions Authorized.

The officers and employees of the College shall take all action necessary or reasonably required by the parties to the Agreement and all related documents to carry out, give effect to and consummate the transactions contemplated thereby and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. Severability.

If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 4. Repealer.

All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 5. Effective Date.

This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the BOARD OF TRUSTEES LEWIS-CLARK STATE COLLEGE this 15th day of February, 2012.

THE BOARD OF TRUSTEES OF LEWIS-CLARK STATE COLLEGE

By: ______________________________
Printed Name: ______________________________
Title: President, State Board of Education and Board of Trustees of Lewis-Clark State College

By: ______________________________
Name: Chet Herbst
Title: Bursar

ATTEST:

By: ______________________________
Printed Name: ______________________________
Title: Secretary of the Board

THIS PAGE INTENTIONALLY LEFT BLANK

EASTERN IDAHO TECHNICAL COLLEGE

SUBJECT

Request for Board approval for EITC to grant the City of Idaho Falls a public right of way of 0.25 acres and permanent easement of 0.18 acres

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.I.5.

BACKGROUND/DISCUSSION

Eastern Idaho Technical College (EITC) is located at the eastern edge of Idaho Falls and is bounded on the southeast corner by the intersection of Hitt Road on the east and South 17th Street on the south. This area and the City of Ammon to the east of Idaho Falls have seen major growth since the intersection was last modified. In particular, traffic backs up on Hitt Road at times beyond the southern entrance to the campus, blocking vehicle access to the campus during peak hours. To ease traffic congestion the City of Idaho Falls proposes to install a right turn lane from Hitt Road onto 17th Street and sufficient additional roadway on 17th Street to allow traffic turning right to merge with westbound traffic on 17th Street. This requires use of property currently owned by EITC. An overhead view of the current intersection is provided (Attachment 2), marked up to show the proposed right of way and easement.

IMPACT

This property, at the end of a small “panhandle” on the southeast corner, is not currently used by EITC and there are no future plans for its development. Current and future impact of the property transfer is therefore negligible. On the other hand, the proposed change to the intersection substantially improves traffic flow around the campus and results in a favorable impact to EITC.

The City of Idaho Falls is not providing tangible compensation for the right of way and easement, but has agreed to provide surveying support as might be needed for EITC’s future acquisition of a small parcel (0.1 acre) of land currently owned by Bonneville County. A commercial surveying company quoted $1,200 for this work. Historically, transfers of property between government agencies in southeast Idaho have been at low or no cost rather than at market value. An example is the 2002 transfer of 2.2 acres of property from Bonneville County to EITC for a $10 fee.

ATTACHMENTS

Attachment 1 – Property Description   Page 3
Attachment 2 – Property Aerial   Page 4

STAFF COMMENTS AND RECOMMENDATIONS

This is a request by EITC for the approval of a right of way and permanent easement to the City of Idaho Falls. This is a friendly and mutually beneficial agreement to help ease traffic congestion on a major arterial roadway fronting the campus.

Staff recommends approval.

BOARD ACTION

I move to approve the request by Eastern Idaho Technical College to grant the City of Idaho Falls a public right of way of 0.25 acres and permanent easement of 0.18 acres in substantial conformance with the documents submitted to the Board as Attachments 1 and 2, to authorize the College's Vice President for Finance and Administration to execute all necessary related documents, subject to prior review by Board counsel.

Moved by __________ Seconded by __________ Carried Yes _____ No _____

AmeriTitle

Order No. 10-51263

PARCEL 4A
Public Right-of-Way

A parcel of land located in the SE¼ of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho described as follows:
Commencing at the Southeast corner of said Section 21 monumented by an aluminum cap monument; thence along the South line of said Section 21 N87°56'20"W 490.13 feet; thence N 0°22'21" E 40.02 feet to the **TRUE POINT OF BEGINNING** and the Southeast corner of Lot 7, Block 2, of the First Amended Plat of Ashment Addition Division No. 4 and marked with a chiseled "X" in the concrete; thence along the East line of said Lot 7 N 0°22'21" E 18.34 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N89°39'13"E 6.31 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S87°56'20"E 282.04 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N86°20'20"E 50.22 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N43°42'10"E 42.13 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N0°17'14"E 347.10 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S89°42'42"E 8.54 feet to a point on the Westerly Right-of-Way line of South 25th East Road and monumented by a 5/8 inch iron rod and aluminum cap marked LS 9755; thence along the said Westerly Right-of-Way line of South 25th East Road S0°17'14"W 402.49 feet to a point on the Northerly Right-of-Way line of 17th Street; thence along the said Northerly Right-of-Way line of 17th Street N87°56'20"W 376.02 feet to the **TRUE POINT OF BEGINNING** and containing 0.252 acres more or less.

AND

PARCEL 4E
Permanent Easement

A parcel of land located in the SE¼ of Section 21, Township 2 North, Range 38 East of the Boise Meridian, Bonneville County, Idaho described as follows:
Commencing at the Southeast corner of said Section 21 monumented by an aluminum cap monument; thence along the South line of said Section 21 N87°56'20"W 490.13 feet; thence N0°22'21"E 58.36 feet to the **TRUE POINT OF BEGINNING** and a point on the Easterly line of Lot 7, Block 2, of the First Amended Plat of Ashment Addition Division No. 4 and monumented with a 5/8 inch iron rod and aluminum cap marked LS 9755; thence along the said East line of said Lot 7 N0°22'21"E 10.00 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N89°39'13"E 6.40 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S87°56'20"E 257.85 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N81°14'01"E 59.57 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N39°40'52"E 54.06 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N0°17'14"E 319.26 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S89°42'44"E 10.00 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S0°17'14"W 347.10 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S43°42'10"W 42.13 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S86°20'20"W 50.22 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence N87°56'20"W 282.04 feet to a 5/8 inch iron rod and aluminum cap marked LS 9755; thence S89°39'13"W 6.31 feet to the **TRUE POINT OF BEGINNING** and containing 0.187 acres more or less.

"Superior Service With Commitment And Respect For Customers And Employees"


PARCEL 4
STATE OF IDAHO
ACQUISITION
SCALES:
1" = 40' HOR
STATE OF IDAHO
EASEMENT 4E
8130.72 SQ FT
0.187 ACRES
SOUTH 25TH EAST
17TH STREET
PARCEL 4A
10996.60 SQ FT
0.252 ACRES
N0°17'14"E
319.26'
S0°17'14"W
347.10'
S0°17'14"W 402.49'
S89°42'44"E
10.00'
S89°42'42"E
8.54'
N81°14'01"E
59.57'
N86°20'20"E
S87°56'20"E
376.02'